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FINANCIAL TIMES

No. 26,940

Thursday April 8 1976

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NEWS SUMMARY

GENERAL

China strips Teng of power

Mr. Teng Hsiao-ping, who was initially expected to succeed Mr. Chou En-lai as Prime Minister of China, has been dismissed from all his posts, while Mr. Hua Kuo-feng, appointed acting Premier in February, has been confirmed as Prime Minister.

Mr. Hua, who also becomes first vice-chairman of the Communist Party, is now second to Chairman Mao Tse-tung in the party hierarchy. According to the official New China News Agency, Chairman Mao personally proposed Mr. Hua for these posts and recommended Mr. Teng's dismissal.

As first party vice-chairman, Mr. Hua displaces Mr. Wang Hung-wen, widely believed to be a radical. His elevation may be a compromise between the radicals and the pragmatists in the leadership. *Back Page*

Smith may give posts to Africans

Mr. Ian Smith, the Rhodesian Premier, is expected to appoint at least two Africans to his Cabinet. Mr. Smith, who has been in power since 1962, is expected to make a major statement on his country's policy on race relations and power-sharing within the next ten days. More positive moves towards employing Africans in public services are expected. *Back Page*

Syrian blockade

The Syrian Navy is mounting a blockade on Lebanese ports to prevent arms entering the country in a further measure to make the latest ceasefire hold. The British Ambassador in Damascus has been instructed to protest about the attack by a Syrian motor torpedo boat near Tripoli on the Cheshire Venture, which was on charter to a Lebanese company. *Page 5*

Bank criticised

The Church Commissioners and the GLC supported a resolution at the Midland Bank annual meeting calling for the bank to further loan to the South African Government. Though the move, backed by 3m. votes (5 per cent), failed, pressure on other organisations involved with South Africa is likely to increase. *Page 8*

BA strike

British Airways internal and European flights were disrupted after cabin crew went on strike for 24 hours over a dispute about manning of TriStars. The strike is due to end at 2 p.m. to-day.

75 held in jet

Three gunmen were holding 75 passengers and crew under threat of death at Manila airport in the Philippines late last night. The hijackers, believed to be Muslim rebels seeking independence for the Southern Philippines, had demanded a ransom of \$200,000, but President Marcos refused to let it be paid.

Two dead in mine

Government inspectors are investigating how two men were asphyxiated at a tin mine near Truro, Cornwall, owned by Consolidated Gold Fields. The men were found in a disused tunnel. *Mining News Page 26*

Coventry's Bishop

The Rt. Rev. John Gibbs, Bishop Suffragan of Bradford, a former Congregational minister who joined the Church of England in 1955, is to become Bishop of Coventry.

Briefly...

The case against Labour MP Mr. John Ryman, accused of making a false declaration about election expenses in October, 1974, began at Blyth.

U.S. Presidential hopefuls had mixed fortunes in the New York and Wisconsin primaries, improving the chances of Senator Hubert Humphrey, waiting in the Democratic wings. *Page 4*

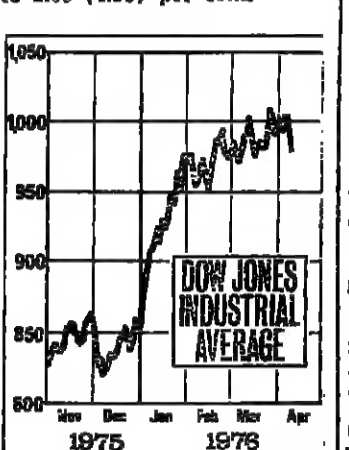
BUSINESS

Equities down 4.1; pound aids gilts

● **EQUITIES**, buoyant in early trading, deteriorated on fears of industrial unrest when the next round of pay talks begin. The FT 30-share index, 3 points ahead at 11 a.m., closed 4.1 down on the day at 407.7.

● **GILTS** were helped by a firmer pound, but prices eased from the best towards the close. Longs gained a point; shorts rose up to 1 1/2.

● **STERLING** made a modest improvement, gaining 70 points to \$1.0855; its trade-weighted depreciation narrowed to 35.8 (36.3) per cent. Dollar's weighted fall widened slightly to 2.00 (1.96) per cent.



DOW JONES INDUSTRIAL AVERAGE

● **WALL STREET** closed 15.43 lower at 986.22, largely because of late afternoon profit-taking.

● **GOLD** lost \$1 to \$128.

● **U.S. INTERNAL REVENUE** Service is planning to step up its battle to uncover and prosecute company tax evasions relating to illicit payments to foreign governments and their senior officials. *Page 4*

● **CONSUMER PRICES** in Britain rose 22.8 per cent. in the year to the end of February, almost double the rate for the rest of the Nine, according to figures from the Brussels Commission. *Page 6*

● **EEC AGRICULTURE** Ministers look likely to agree to continued imports of substantial quantities of New Zealand butter into the U.K. after next year, writes Robin Reeves from Brussels. *Page 35*

Think Tank reconsiders

● **THINK TANK** conclusion that there are too many car manufacturers in the U.K. was virtually abandoned by the team that prepared it. *Page 14*

● **UNEMPLOYMENT**, sickness and other short-term social security benefits are to be increased by 16 per cent. from November 15. The standard weekly benefit rises to £12.90 for a single person and £20.90 for a married couple. *Back Page*

● **BRITISH LEYLAND** car production is threatened with fresh disruptions caused by more pay disputes. Normal working was resumed only yesterday. *Page 11*

Overseas Leyland Motor Corporation of Australia has reported to profits. A capital reconstruction is planned within a year. *Page 31*

● **LARGEST U.K. ASSET** of the failed Amalgamated Investment and Property Company, Amalgamated House in central London, has been sold by the receiver for £13.75m. *Back Page*

COMPANIES

● **SUN ALLIANCE** and London Assurance pre-tax profits last year rose to £35.55m. (£22.69m.). *Page 25 and Lex*

● **PHOENIX ASSURANCE** pre-tax profits climbed £7.5m. to £115.3m. *Page 28 and Lex*

● **GUARDIAN Royal Exchange** insurance increased its pre-tax profits to £49.6m. (£28.1m.). *Page 27 and Lex*

● **W. H. SMITH** group pre-tax profits rose to a record £11.25m (£9.27m.). *Page 24*

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISERS		FALLS	
Treasury 115/16	95 1/2 + 1	Sun Alliance	443 + 10
Treasury 13 1/2	197 1/2 + 1 1/2	Union Discount	330 + 10
Alexanders Discount	220 + 10	Bil South	132 + 7
Bank of Scotland	220 + 11	Divisor	390 + 30
Barclays Bank	280 + 3	Marivale	115 + 12
Baxters Felt	99 + 9	Palabora	700 + 30
BRG	120 + 4	Pancontinental	875 + 75
Davy Int'l	130 + 6	Pot. Plat.	135 + 7
Gestner "A"	120 + 4		
Glynwed	110 + 5	PSR	110 - 5
Guardian Royal Exch.	222 + 11	Bulmer (H.P.)	90 - 7
Heath (C.E.)	240 + 5	Burgess Prods.	24 - 4
Hirst & Mallinson	29 - 5	Hawker Siddeley	428 - 8
Johnson Matthey	370 - 13	Head & Son	723 - 100
Kelch & Henderson	88 - 10	Land Securities	188 - 6
Rathens	82 - 6	Lucas Inds.	230 - 4
Samuel (H.) "A"	150 - 10	MEPC	68 - 5
Simon Eng.	137 + 4	Marks (Disinfects)	298 - 7
Smith (W.H.) "A"	370 + 12	Thorn Elect.	278 - 8
Standard Chartered	398 + 8	Wingate Invs.	14 - 3
		Sp	890 - 8

Tough beginning to pay policy talks

BY ADRIAN HAMILTON and ROY ROGERS

THE CHANCELLOR of the Exchequer yesterday opened the arena to a round of hard bargaining with unions and industry over the next stage of counter-inflation policy.

At a meeting of Government Ministers, employers and unions at the National Economic Development Council, he agreed to meet the six union members of the Council for early talks covering not only wages but the whole range of prices, economic strategy and food subsidies.

He also agreed to meet the Confederation of British Industry in separate talks to discuss these issues.

All the indications point not only to a period of intensive horse-trading on the precise figures for wage rises but also to a more general negotiation in which the unions will try to exact a heavy cost in continued price control in return for their support.

Reporting on the meeting yesterday, Sir Ronald Markintosh, director-general of NEDC, said that the Chancellor steered the meeting away from discussion of precise wage norms.

Mr. Healey did, however, point out that the three per cent. figure mentioned in the budget had to be taken in the context of the whole concept of conditional wage concessions.

The aim, he seems to have suggested, was to reduce the rate of inflation by a further half in the next phase starting in the Summer, however this was achieved.

In the mix of tax concessions and wage limitations, the Chancellor's Treasury fear at the moment is that already the 3 per

cent. figure is being taken as a definite bargaining counter and officials yesterday were anxious to stress that it was used by way of illustration of what was needed in order to meet the inflation target.

Mr. Edmund Dell, the Paymaster General, in the Commons, yesterday emphasised the inter-relationship between wages and prices. "Three per cent. is the highest that can be considered if we can rely on meeting our inflation target," he declared.

He pointed out that the existing 56 pay limit and the effect of equal pay for women would lead to an increase in earnings of something like 13 per cent.

Immediate union reaction outside the NEDC meeting, from such leaders as Lord Allen and Mr. Jack Jones, was a straight rejection of the 3 per cent. norm as "too low".

Within the meeting, on the other hand, the unions concentrated on broadening the issue to take in price controls, food subsidies, industrial investment and minor controls.

Stating that "we will devise an acceptable policy," Mr. Len Murray, TUC general secretary, said that there was "no magic formula or figures".

He stressed, as did other union leaders, the need particularly to keep down prices if unions were to exercise restraint and suggested that if there was a wage target then there should be a price target as well.

The unions also argued that the Chancellor in the Budget had been too conservative in his assessment of the unemployment prospects (implying union belief

in the need for more reflation) and too optimistic in his assessment of the balance of payments prospects (implying the continued union demand for import controls).

It is the prospect of bringing the issue of price control straight back into the centre of union-Government bargaining, however, which must prove most worrying for industry.

The Confederation of British Industry, although still formally reserving judgment on the Budget, is clearly well-satisfied.

After the Budget Page 8
Editorial comment and Budget guide Page 18
No miracle techniques from Mr. Healey Page 23

with the direction of the Chancellor's overall strategy and his commitment both to reducing wage inflation still further and revising the price code in favour of investment.

CBI staff are now busily preparing the case for their proposals on price code revisions and wage restraint for consideration at the Council meeting next Wednesday.

But, in accepting that there will have to be continued price supervision for political reasons, the CBI has launched a determined campaign to obtain radical revisions including an end to the system of having to justify individual price rises in advance and replacement of simple margin controls.

Industry is also looking for more

Stonehouse resignation could disrupt legislative plans

BY PHILIP RAWSTORNE

WITHIN TWO days of taking over as Prime Minister, Mr. James Callaghan was yesterday deprived of his Government's overall majority in the Commons by the resignation from the Labour Party of Mr. John Stonehouse, MP for Walsall North.

The move — announced as Mr. Callaghan was completing his plans for Cabinet reshuffle — could cause serious problems for the Government in getting future legislation through the Commons.

Among the first measures likely to run into difficulties after the Easter recess are the Finance Bill and the Government's proposed legislation on pay beds. But the Government's entire timetable could be thrown into chaos.

Mr. Stonehouse crossed the floor of the Commons yesterday to sit as an Independent MP on the Opposition bench occupied by the National Parties.

His defection gave the Opposition parties 318 votes against the Government's 315. This composition of the House will, under the Commons Standing Orders, now have to be reflected in the membership of any new non-ministerial committee members, decided to apply the rules.

Government business managers believe that the threat to their programme could be minimised.

Both Mr. Humphrey Atkins, Conservative Chief Whip, and

Mr. Alan Beith, Liberal Chief Whip, immediately pressed for such action yesterday.

Mr. Atkins said: "It seems to me that if a majority of one enables a Government to have a majority of one on standing committees, then a minority of one must logically mean that future standing committees should have a majority of one in favour of the Opposition parties."

The Government had also been asked to make adjustments in the membership of Commons Select Committees, he added.

Mr. Beith said the Government was clearly no longer entitled to a majority on committees.

Majority

"I have indicated to the Government Chief Whip that in my view he should now discuss with the Opposition parties how the Government's programme could be modified so that it is acceptable to a majority opinion in the country. Only on that basis can it now proceed."

Much will depend on how the Committee of Selection, under Mr. Hugh Delargy, Labour MP for Thurrock, which nominates committee members, decided to apply the rules.

Government business managers believe that the threat to their programme could be minimised.

\$1bn. N. Sea gas sale to U.S.

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITAIN IS to export almost \$1bn. (£535m.) worth of North Sea liquefied gas to the U.S. under a 10-year contract won by Shell.

The deal, involving some 6m. tonnes of propane and butane, is believed to be the largest single LPG contract ever negotiated between two non-affiliated companies. Northern Liquid Fuels International, a newly-formed subsidiary of Northern Natural Gas of Nebraska, will import the product's through the Panama Canal to the East and Gulf coasts of the U.S.

At present, there is a relatively small market for LPG in the U.K. Most of it is used as an industrial fuel or for bottled gas and this need is met by output from refineries. The U.S., which is much more heavily dependent on gas-based energy, needs to boost production of natural gas and LPG is expected to decline.

Much of the LPG will come from Shell/Esso's Brent field which, apart from having about 2bn. barrels of recoverable oil reserves, has three trillion (million million) cubic feet of natural gas in the form of methane, ethane, propane and butane. The companies are contracted to supply the substantial methane content to the British Gas Corporation for use within the U.K.

The ethane is likely to be sold as chemical feedstock. The U.S.

Dow Chemical group has been studying the possibility of building an ethane-fed chemical complex in Britain.

The exact value of the LPG contract is not yet known, although Northern Liquid Fuels said that over the last eight years of the deal the Shell International Gas subsidiary could expect to receive about \$100m. a year.

Satisfaction

Deliveries from Brent and other Shell/Esso fields in the North Sea are due to start after January 1, 1978. In the first year they should amount to 250,000 tonnes; in the second they should rise to 384,000 tonnes and for the remaining eight years stay level at about 360,000 tonnes a year.

The Government, which has endorsed the arrangements, is understood to be satisfied that the deal will be a good price.

The impact on the balance of payments will be enhanced even more by any deal which Shell's exploration partner, Esso, might conclude on its half of reserves. Esso said yesterday that some of its LPG would be used "in-house" within the parent Exxon Corporation. Nevertheless, its own experts should also be substantial. "We would hope to get a new realisation as good as Shell," Esso commented in

The Shell contract is built around a base period price with periodic adjustments influenced by three factors: the Arabian light "marker" crude oil price; the U.S. wholesale price index; and the United Nations index for exports of manufactures.

Products from Brent and other fields which Shell/Esso are producing at Sullom Voe in the Shetland Islands and at Peterhead, Scotland, Shell has applied for planning permission to build an LPG extraction plant at Peterhead.

Several specialised LPG carriers of up to 40,000 cubic metres capacity each, will be used to transport the propane and butane to the U.S.

Although LPG is not considered to be such a good chemical feedstock as ethane, the Government has been watching closely how much U.K. demand there might be for the product from its chemical industry. So far, it is understood, no chemical crop has shown firm interest in Brent LPG.

£ in New York

	April 7	Previous
April	31,960-620	31,860-360
1st May	32,470-70	32,470-70
2nd May	32,010-10	32,010-10
3rd May	32,570-80	32,570-80

Dearer scrap may bring steel levy

BY ROY HODSON

ALARMED by soaring prices for iron and steel scrap, the British Steel Corporation is preparing contingency plans for a special surcharge on the selling prices of most of its products.

Although the corporation will not make any statement about its intentions, it is working on the basis that if scrap prices follow the rising trend predicted by most experts, a BSC surcharge in the region of 10 per cent. will be necessary by June or July.

Such an increase would be a severe blow to manufacturing industry's efforts to restrain prices. The BSC has raised the prices of two-thirds of its products.

ESC hopes to recover market share. Page 14

ducts sold in the U.K. by an average of 10 per cent. within the last month. The contemplated scrap surcharges would mean a 20 per cent. total increase on the steel material bills of many industries.

The BSC's efforts are directed at spreading the threat of a surcharge as fairly as possible by applying the highest percentage loadings to those of its products which contain the largest amounts of scrap. The heaviest surcharges are to be expected on BSC products from the Sheffield area, where a lot of scrap is used to feed electric arc furnaces.

Britain's scrap iron and steel trade amounts to more than 10m. tons a year, with a turnover conservatively estimated at £400m. a year. In recent months a combination of factors including a shortage of scrap arising from industry caused by the recession and some exporting of

British scrap, have sent scrap prices into a steeply upward trend. Some merchants claim that the price of good quality steel scrap has virtually doubled since the beginning of the year. Prices around £50 a ton are now obtainable.

However, even the trade is finding it difficult to determine accurate scrap prices, since the BSC is operating a purchasing system by which it buys in its scrap through 13 nominated suppliers. They fulfil contracts with the corporation at undisclosed prices.

Critics of the corporation's scrap policy are claiming that by sending agents into the market to buy on its behalf, the BSC is effectively forcing up the price. That view is firmly held by scrap makers who are almost wholly dependent upon scrap as a raw material and expect to have to make similar upward adjustments to their prices.

Another factor aggravating the scrap shortage is the rapid increase in steel-making capacity in the private sector. With the introduction of new electric arc furnaces, the private companies are in the process of doubling their steel-making capacity from 2.5m. tons in 1974 to nearly 5m. tons by 1979.

Mr. Clancy Schaeppert, managing director of Sheerness Steel, wants the private sector to act quickly to provide an alternative source of material for its furnaces. He has produced this week what amounts to a prospectus for an iron ore direct reduction plant to be sited in the Newcastle area and to process imported iron ore from industry caused by the recession and some exporting of

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by KEVIN HENRIQUES

**Book Reviews will appear
in to-morrow's paper**

There is plenty of that last attribute on Alan Hare's "Who's Wray?" A fine example of the band's facility on slow tempos is given by the devoted playing on the ballad "Marianne," composed by trumpeter Martin Buncie, who takes the lyrical solo. Unfamiliar time signatures are easily negotiated as well, while one unusual feature

★
Unlike Basie, Bellison does not have a full-time band but draws upon a pool of Los Angeles-based musicians for recordings, tours and concerts in the U.S. (he has never brought his band to Britain). On nine tracks here, covering a wide variety of composers and styles, he shows he is almost no peer as a roaring

by B. A. YOUNG

In 1945 a direct hit with a bomb destroyed the roof over the backstage area, and a month after, fire broke out on the stage.



able presentations, there of intellectual writers like Thomas Schmitzler. He solved this difficulty by taking over the smaller Akademietheater, where also he presents productions for the "Junge Burg," the theatre of the younger generation, who go to the works of Handke and Bauer and Thomas Bernhard.

But the problem of the larger house has remained. It has the aspect of an opera house inside as well as out. It is the cause of difficulty to Klingenberg when he took over—it inherited a tradition of solemn literary grandeur. Klingenberg has hauled it mercilessly into the present day and has acted it out in a bold and personally strenuous manner.

audiences, who have at times been deeply antagonistic to some of his introductions (though there seems to have been no violent objection to his overthrow of the rule, going back to Joseph II himself, against curfew time).

The repertory of 38 pieces at the Burgtheater - and the Akademie with which the 200th birthday - is being celebrated - reveals the valuable legacy that Engelmann has bequeathed to goers at the end of the year to the Zurich Schauspielhaus. He has fought against any tendency to build up a house style; as he says, every play has its own style, and he therefore engaged a brilliant, fluctuating

in Europe and given them a free hand for the season. Included are productions by Ronconi, Strehler, Krejca, Feisenstein, Otto Schenk, Peter Hall; designers include Swoboda, Rudolf, Heinrich, Wakhevich, Gunter, Schneider and John Myhre. Theater costumes for Klingenberg's Richard II and David Herscovid did the lighting.

The result is a permanent exhibition of modern theatrical practice, linked with a treasury of modern and classic drama. The necessary subsidy is enormous. It seems to be very well spent. I will review some of the current productions in a day

Henze concerto

Henze wrote the piece in 1967, shortly after *The Bassarids* and just before he began to involve himself in political declaration. It was his first large symphonic composition for some time, and it was devoted to the memory of the late Sir John Barbirolli, who, for all the Caribbean tinge of the Sixth Symphony or the bizarre instrumental painting of *Heptahabitus Imperator*,—The Second Piano Concerto is a rich and genuine span of music, balanced, developed and played with an exquiste care. Like all of Henze's music it is charming, but it has a serious thrust; it seems to matter.

This performance, with Paul Crossley making his debut as a soloist, made it matter a great deal. The first section had an anxious concern

Spring, or perhaps more closely
the dances of the mechanical
folk in Bartok's *Wooden Prince*.
The second section is a
droll, almost disturbing, inhuman
movements of a puppet. Perhaps
Henzs might now want to inter-
pret it as some social allusion.
The final section offers some
synthesis, without conclusion, of
the previous dream and dance in
the target of the first section.
The section mirrors Shakespeare's
13th month ("Th' expense of
spirit in a waste of shame is just
in action . . ."). Here nothing is
stable, whether tempo, texture or
one, and it was a marvel that
Richard should have been able
to discipline his forces so
exactly to such impulsive
and discipline.

PAUL GIFFITHS

Frankie Valli and the Four Seasons

by ANTONY THORNCROFT

The Entertainment Guide is on page 11.

releases, to grip the imagination. The voice, too, was off-key to begin with (due apparently to intercontinental weather changes), which is a problem when he uses his high notes to balance the deeper tones of his group and the backing trio of girl singers. Still by the end, the strength of the music, and the obvious loyalty of his fans—I was nudged very pointedly by a complete stranger for not clapping enough—brought the concert through to a successful if less-than-sensational conclusion.

Frankie Valli, 38, is fact approaching 39, but his small frame and remarkable vocal range, which usually concentrates on the falsetto, keep him looking younger. His songs, too, have survived well for Frankie.

Vall and the Four Seasons are responsible for scores of melodies which are better remembered than the group—“Big Girls Don't Cry,” “Rag Doll,” “Let's Hang On,” to name some for starters.

Unfortunately his past is more impressive than his present performance, and there is little in the routine run through of million-selling records, plus some pointed clues for the latest

Brian McMaster has been appointed general administrator of the Welsh National Opera. This is a new post consequent on the division of the executive chairman's functions into those of a lay chairman and a chief officer of the company.

Mr. McMaster is 33. He is currently controller of opera planning for the English National Opera. He will take up his new appointment in July.

Sadler's Wells Theatre

La Sylphide

But it is the over-all rightness of the production, its power to evoke the true period atmosphere of an impossible love that carries within itself the seeds of its own fate—the tragedy of James as the epitome of the Romantic hero—which is so admirable. The adorable nuances of the Bournoville school may be largely missing in the dance style, but I had the odd, time-travelling sensation during last night's performance.

that the original staging in 1856 must have looked not a little like this Scottish presentation. A nice balance to the group dances in Act 1, the modest, careful evolutions of the syzyphians in Act 2, had an unusual air of authenticity, and this, I think, is the source of the poetic truth of a *baller d'ancien* recreating an urgent dramatic situation—was marvellously in evidence. Without strain, and without complication of means, this *Nipitide* touches on beauty, it is obvious, and how many revivals of 19th century works can one say that?

The evening had been in with another Bourmonville piece, the merry delights of *La Ventana*. It was a little more than a half-century invention most cunningly deployed. What could be prettier than the mirror-dance with which it opens, or more artful than the interweaving of dance and song, the *danse de la robe* and then neatly resolved—in its second part? The Scottish dancers, led by Elaine McDonald and Peter Mallek, look happy in their tasks—and that is also the sure sign of a happy and honest dance. The Danish school is not much in evidence—though Yuiji Sato catches something of its buoyancy—yet the staging makes sense because of the Danish school, and that is what matters most.

CLEMENT CRISP

Collegiate Theatre

A Dinner Engagement

and young stars. The text is a neat job too (Mr. Dehn is a man of wit) but subject and treatment are now far enough away to be half-incomprehensible but not far enough to be a period piece (in any case I wasn't quite certain what period the designer Anthony Jones thought he was in). Yet (judging from one kind of laughter last night) the kind of subject matter that is everlasting for the English public, still ready to hark in amiable class-distinctions between hired heir and Milady and again between Milady and her Royal

This *Orpheus* appeals to student companies because there are a number of small parts (villagers, animals, gypsies) with ensembles to sing. Unfortunately it is only outwardly simple music. Everything has to tell and tell quickly, with the kind of sure-fire effect only to be had as a rule from experienced French pros with their *chansons* and styles inimitable remote from English methods. One more reason for trying, no doubt, but it was sad to hear point after musical point being missed or smoothed over last night.

**“Last year
more people chose
to save with
Abbey National
than ever before”**

Lord Hill reports on 1975, a year in which over half a million new accounts were opened.

Among the points made by the Chairman, The Rt. Hon. The Lord Hill of Luton, in reporting at the Annual General Meeting on the year ending 31st December, 1975, were:

Record Assets
£3,701 million. On 31st December 1975 the Total Assets of the Society were £3,701 million, an increase during the year of £695 million, a growth rate of 23.1 per cent., the highest ever. Reserve ratio at year end 2.88%. Liquid Assets 19.5%.

steeply stepped up, and in the year the Society made total mortgage advances of £808 million, an increase of 56.8 per cent. over 1974. Of these 55% went to first-time purchasers - of new and secondhand houses. Over 23% went to people of not more than 25 years of age. 21% were on properties more than 60 years old.

Service to Members
As at 31st December 1975, the Society had 377 branch offices; thus, everyone in the United Kingdom was within easy reach of the full Abbey National service.

Staff
The achievements of 1975 had meant that the staff had been called upon to deal with a huge increase in investment and mortgage transactions, and the Chairman paid particular tribute to their efforts.

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هكذا من السهل

WORLD TRADE NEWS

French may replace Japanese in Brazilian aluminium project

BY HUGH O'SHAUGHNESSY

FRENCH interests may take the place of Japanese companies as partners of Brazil in the establishment of an aluminium smelter in the Amazonian State of Para, according to reports circulating in Rio de Janeiro.

The original Brazilian plan was to produce 640,000 tons of aluminium with power from a dam to be built on the Trombetas River in Para in association with the U.S. American Light Metal Smelters concern. The U.S. concern later dropped out and a Japanese consortium including Nippon Light Metal, Showa Denko, Sumitomo, Mitsui and Mitsubishi held talks with the Brazilians on the scheme.

According to Brazilian sources, the Japanese enthusiasm for the project waned and the Japanese partners wanted to reduce the scheme to one of producing 160,000 tons of aluminium.

Early in the year the Brazilian Industry Minister, Sr. Shigeaki Ueki, visited Tokyo in an attempt to salvage the deal.

The Minister's efforts did not appear to have been successful and the visit of General Ernesto Geisel, the Brazilian President, to Japan, which was expected to have occurred at the same time as his visits in the next few weeks to Britain and France, was postponed, possibly until September.

The latest round of rumours suggest that a deal with the

French might be concluded by Gen. Geisel in Paris later this month, though these rumours could be part of a campaign by the Brazilians to accelerate negotiations with Japan.

Brazil has to import all its aluminium and the Government wants a handy local supply to bolster efforts to establish an aircraft industry.

Meanwhile, the Brazilian Trade Minister, Sr. Severo Gomes, has announced that Brazil will be importing locomotives from Spain for the next two years.

The decision seems to have come about as the result of Spanish pressure on Brazil over the state of bilateral trade. In 1974, according to Sr. Jose Luis Cerón, of the Spanish Central Bank quoted by Associated Press, Brazil sold \$300m. worth of goods to Spain and bought only \$130m.

Last year the figures were worse from the Spanish point of view, \$433m. and \$97m. respectively.

The Spanish move is of great potential importance for Brazil if it signals an increase in resistance to the more aggressive export drive that Brazil is mounting in an effort to limit its trade deficit and contain its balance of payments deficit.

According to banking sources, the bad trade results of the first two months of the year when a deficit of more than \$700m. was registered could lead to the outright prohibition of some import deposit scheme now in operation.

Tropical products plan

BY DAVID EGLI

EUROPEAN COMMUNITY offers of trade concessions on tropical products in favour of developing countries have been tabled here within the framework of the Multilateral Trade Negotiations. The tariff cuts and non-tariff concessions are in response to requests received from more than twenty countries in Asia and Latin America are said to cover an annual volume of exports in excess of \$2.5bn.

Some 180 products are covered in the Community offer, including cocoa, coffee, tobacco, spices, processed vegetable oils, flowers and shellfish. While a number of tariff concessions, including those covering cocoa and coffee, are offered on a most-favoured-nation basis—meaning that all countries can benefit without discrimination—a significant number of tariff offers are improvements on, or additions to, the Community's Generalised System of Preferences (GSP). Improvements concern more than 60 products on the existing GSP list, and 58 new products have been added to the existing list.

Indo-British co-operation talks

BY K. K. SHARMA

TALKS ARE underway in London between India and Britain on ways to increase British investment in this country within terms of an agreement reached between the Secretary of Trade, Mr. Peter Shore, and India's Commerce Minister, Mr. D. P. Chatterjee, when they met here in January.

The first meeting of the main Indo-British joint economic committee set up during Mr. Shore's visit to India will not take place until mid-June, at the earliest. The current talks, being conducted at official level, have been organised by the two sub-committees established under the agreement—one dealing with economic co-operation between the two countries and the other concerned with industrial co-operation, including investment in third countries.

India's delegation is led by Dr. A. K. Ghosh of the Commerce Ministry and includes the president-elect of the Federation of Indian Chambers of Commerce and Industry Mr. V. Arunachalam.

Increased British investment is being sought since Britain is no longer India's leading creditor, having surrendered this place to West Germany over the past three years, although the largest number of foreign companies operating in India are still British. Of the 4,500 foreign collaboration proposals approved by the Government since 1987 over 1,000 are with Britain but the pace has slowed down considerably in recent years at Rupees 6.50bn. British capital investment in India accounts for one-third of total foreign investment.

At the London meeting India is also seeking co-operation to launch joint ventures in third countries which India considers it is now in a position to undertake due to greatly increased development in the more sophisticated technological fields as well as low labour costs here.

Also being discussed are ways of balancing trade between India and Britain since at present this country has a favourable balance, despite loss of Commonwealth Preferences and British entry into the European Community.

Margaret Hughes adds: The Department of Trade confirmed that the discussions have been taking place and are expected to be concluded this morning. The negotiations have been concluded on two levels—one sub-committee operating at a straight government-to-government level, the other including business representatives from the public and private sectors of both sides as well.

On the British side the negotiators have been sounding out ways of reducing the growing British deficit in Indo-British trade. As the biggest aid donor to India, Britain is anxious to gain a greater share of Indian purchases paid for in foreign exchange. In this context India is understood to have indicated opportunities for sales of British fertilisers and chemicals.

In the public sector the discussions have centred on co-operation in the coal and steel industries. Co-operation in the offshore oil field is already well established, while Britain is anxious to sell mining equipment to India's coal industry and assist in exporting simpler mining machinery to third countries. The possibility of Britain importing iron ore from India is also being discussed, as is future exports of special steels by the British Steel Corporation.

On the private sector the negotiations have been mainly confined, so far, to stimulating greater exchange of information and promotion of Indian private enterprise in this country. The British negotiators have also been urging the Indians towards greater flexibility in applying their rules governing foreign investment—a matter of particular concern to British industry.

NEW DELHI, April 7.

AMERICAN NEWS

IRS to step up probe on illicit payments

By Jay Palmer

NEW YORK, April 7. THE U.S. Internal Revenue Service is planning to step up its battle to uncover, and possibly prosecute corporate tax evasions relating to the illicit payments of bribes and payoffs to foreign governments and their senior officials.

Starting with corporate tax returns for fiscal 1975-76, the IRS this afternoon said that it will be asking all major companies who gross assets of over \$250m. to answer in writing 11 specific and detailed questions about bribes and cash payments. The investigation will, however, be limited to returns filed for the past three years.

Mr. Donald Alexander, IRS Commissioner, said that the questions will be asked of some 1,200 U.S. companies and that their written replies would have to be signed by key corporate managers, senior employees and a senior representative of the company's auditors.

A spokesman for the IRS later added: "If they lie, they will have problems. If they don't answer they will have problems." Over the past year about 100 American companies of various sizes have disclosed making some form of payments overseas. While such payments are not necessarily illegal under U.S. law, the use of such payments as a tax deduction is.

While the IRS refused to say this stage to release the full text of the 11 new questions, an official did note that executives will specifically be asked to disclose any knowledge whatsoever and, however vague they might have about the company's payments of bribes or any payments by domestic or foreign affiliates.

Owens-Illinois expropriation

By Joseph Mann

CARACAS, April 7. FOREIGN businessmen in Venezuela were stunned by the Government's abrupt decision late yesterday to expropriate the holdings of Owens-Illinois de Venezuela, a subsidiary of the Owens-Illinois glass company of Toledo, Ohio.

The Democratic Government here decided to take over the foreign assets of Owens-Illinois de Venezuela, valued at well over \$13m., after the company paid for the publication of information supplied by a group of Venezuelan guerrillas in the Times of London, the New York Times and Le Monde.

Publication of the information, which contained charges that Owens-Illinois and other multinationals had "meddled in the internal affairs" of Venezuela, formed part of the ransom demands of a left-wing group calling itself the "Revolutionary Command Argimiro Galbardo." The revolutionaries kidnapped the head of Owens-Illinois operations here on February 27 and demanded that their communiqué be published by Venezuelan and foreign newspapers.

Jay Palmer adds from New York: Owens-Illinois was attacked as "totally unwarranted" by the Venezuelan Government's decision to take over its local affiliate company. In a muted statement, the packaging conglomerate noted that it had been promised "fair compensation" for the \$25.7m. subsidiary but that it still hoped Venezuela would "reconsider its actions."

The State Department to-day expressed concern about the Venezuelan decision. It said: "We are concerned about the use of expropriation as a criminal sanction."

Primaries disappoint front runners



Jimmy Carter, the victor, brandishing a newspaper that said 'he wasn't'. See Men and Matters, Page 18.

Humphrey lurks in the wings

BY JUREK MARTIN, U.S. EDITOR, IN NEW YORK

THERE ARE two principal schools of thought about what the Democratic Party in the Primary elections so far. The first is that all these Primaries and caucuses are nothing more than an elaborate charade, a play performed by no-hopers, necessary prelude to the unimpressive acceptance speech in the career of Hubert H. Humphrey.

The second is that the party is still undergoing precisely that winnowing process that everybody knew it would have to undergo this year. Candidates of whom little was known are still establishing themselves in the public eye and that, in any case, it is not possible to become President of the U.S.—or even a Presidential nominee—without actually running for the office.

The first view is, very loosely, the Democratic establishment opinion and in the Eastern part that has opened up in the season before the Pennsylvania election on April 27. It will be given great national airing. It is, of course, extremely plausible. It is necessary to look no farther than the league table of delegates won by the various candidates in eight Primaries and a handful of caucus States so far this year to realise how far anybody is from gaining the nomination at this moment.

A total of 3,008 delegates will comprise the Convention in New York in July. The Presidential nominee will be the first to commit 1,505 to his cause. So far as the accompanying table shows, rather less than 50 per cent of the delegates have been chosen by one method or another.

The leading declared candidate, Mr. Jimmy Carter, has won only about 30 per cent of these. In only three Primaries so far, in North Carolina where Mr. Carter beat Mr. George Wallace, has anybody scored over half the popular vote, and that was in a two-horse race. Moreover, the grand total of uncommitted delegates, including those on the Stevenson-Daley ticket in Illinois, is more or less the same as that of Mr. Carter.

Not so the argument goes on, has the field really been narrowed. Some have fallen by the wayside—most surprisingly Mr. Wallace, the Governor of Alabama. But there are some who have not yet even started. They include the Liberal Senator Frank Church from Idaho, and the Governor of California, Mr. Jerry Brown, whose real intentions are quite unclear. There will also be a horde of favourite son candidates in individual Primaries ahead (Senator Byrd in West Virginia, Senator

NEW YORK

of THE New York and Wisconsin primaries produced a winner yesterday then he was not one of the declared candidates. Messrs. Ford, Reagan, Jackson, Carter and Udall, their standard hyperbole aside, can have gained only minimal satisfaction from their respective performances. Only Senator Hubert Humphrey, waiting in the Democratic wings, has any right to be rubbing his hands with glee.

On the Democratic side in Wisconsin, where the poll was quite heavy, Mr. Jimmy Carter edged Congressman Mo Udall by 37 to 36 per cent. Governor Wallace from Alabama and Senator Jackson trailed far behind.

In New York, which was strictly a contest to choose delegates under the State's Byzantine electoral laws, Senator Jackson was the winner. Allowing for subsequent allocation of 68 extra delegates, the New York tally was Senator Jackson 107, delegates, Mr. Udall 69, uncommitted 44, Mr. Carter 35 and Mr. Humphrey 21.

The only Republican race was in Wisconsin where President Ford beat Governor Reagan by 55 to 44 per cent.

There was no real Republican primary in New York though Governor Reagan did manage to

elect three mayors. Senator Jackson yesterday then he was not one of the declared candidates. Messrs. Ford, Reagan, Jackson, Carter and Udall, their standard hyperbole aside, can have gained only minimal satisfaction from their respective performances. Only Senator Hubert Humphrey, waiting in the Democratic wings, has any right to be rubbing his hands with glee.

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Committee Delegates

no automatic lien on its allegiance. He has run poorly among minority groups, who are traditionally Democratic, more affluent suburbanites, and in rural areas.

It is worth remembering, too, that though he concentrated on New York and Massachusetts, he has been on the ballot in other States and has campaigned with varying seriousness in some.

Moreover Mr. C. to build up a drive based on love and yet been successful.

He has also intense suspicion established by Southern Baptists. But even of the fact that b in Wisconsin and he might have to claim to be the winner so far. E of the eight prim most of the cauc he has yet to c that he can c Northern states a opponents, he h miable and ade

For all three vania's primary time looms up as simply because it adve a state as unen. Some of are flush with

Jackson's great largely been spe and Massachusetts them all more o footing. S Senator Jackson's national edge at may command Governor Milto earlier, failed Pr date, but he ill to relate to the blacks and simply disaffected

Further down Carter appears to tage for the ver that he is running than anybody el that he is not co in Pennsylvania pick up more de opponents and el for him to ach going to be betw between 1,000 a to him. This he sufficient to doubters' among mitted. It is a e is generally a e

For the great Mr. Hubert H. York and Wiscon encouraging but news, Mr. Carter, selves as a ne not get the ne Humphrey had fe which means the from Minnesota e sit on the fence longer, playing lo away from the B But nor was he d blow.

Senator Jackson has only tried hard in two primaries—Massachusetts and New York—and won both. Since both are Northern States it is tempting to suggest that he is closest to the heart of the party's traditional area of strength—the big Northern industrialised communities. Hard evidence does not back this up: he won both States with massive organisational effort on the one hand and appeals to very special interest groups on the other. In Massachusetts he comes from a different stable from his opponents and because he has been the subject of intense controversy in the Press and on television. Fairly or unfairly, he has been accused of dodging the issues. Messrs. Jackson and Udall have probably been no more specific but they have escaped the critics.

Communists' rise 'threat to U.S.-Europe alliance'

BY DAVID BELL

IT IS inconceivable that the United States could maintain ground forces in Europe if there is major Communist participation in Western Governments. Dr. Henry Kissinger, the U.S. Secretary of State, is reported to-day to have told American ambassadors meeting in London last December.

His remarks about the implications of the rise of Communist parties in Italy, France and elsewhere are carried at length to-day in the New York Times and are by far the toughest statement of U.S. attitudes to the question yet made. Dr. Kissinger has made speeches before about the rise in Communist influence in Western Europe but his public remarks have been more moderate than those quoted to-day.

Although the State Department refused to confirm the report, the New York Times transcript's accurate, highly-placed sources acknowledged that it is a fair report of what the Secretary said while once again deploring "this continual leaking of confidential diplomatic discussions." The New York Times said that an unknown State Department officer had passed the transcript to at least one Senator and to a conservative magazine before it found its way to the Times.

The Secretary is reported to have said that "the fact is that with the emergence of the Soviet Union as a superpower we are faced with a choice: either that in this situation Western Europe continues to be the back bone of U.S. policy. However, the emergence of left-wing policies threatens to undermine the security relationship and defence policy on which the alliance has been constructed." While this confronts the U.S. with a major dilemma "one thing is clear—the dominance of Communist parties in the West is unacceptable." This has nothing to do with the "reasonableness of these parties" or with the degree of their dependence on the Soviet Union, but rather springs from the fact that once a Communist party is in power in any Western country "it will seek to change the objective conditions of society so that the Democratic process can no longer operate."

The U.S. might be prepared to have good relationships with "Trotskyist" regimes but that would only be possible with fundamental changes in the nature of NATO and the way in which the U.S. perceives the whole NATO alliance.

In any case, Communist Gov-

WASHINGTON, April 7.

ernments in Western Europe would place little emphasis on the need for security and "would deal with U.S. on the basis of their necessities at the time." He is reported to have continued: "It is not our job to manipulate policies. Our capacity is finite but it is inconceivable that the U.S. could maintain ground forces in Europe if there is a major Communist presence in Western Governments. The foundation of our Atlantic security would therefore be eroded."

Meanwhile, the impact of an Italian Communist Party that seemed to be governing effectively "would be devastating on France and on NATO, too." It would be difficult to see how NATO discussions could continue with such a Government, the alliance as it now is could not survive and the U.S. would "be alone and isolated."

While the U.S. would continue to support socialist parties the United States could only survive the secession of Communist Governments "through the use of a ruthless balance of power policy. If we were to have to do this we would have lost the moral foundation on which we have operated for our entire history."

NY note sale near

After failing yes any public bids its debt offering, A yesterday afternoon that it is now close with the Bank of sale of \$100m. of sh Jay Palmer writes I

In the New York markets yesterday, turned to hois t west almost cert can on institutio lenders for its fund term. Earlier this published a prospa its precarious finan

Concorde opp suffer setback

By Stewart Flannin Environmentalists at Concorde banned fr the United States s ther defeat yesterd. U.S. Government's nautics Board (CAE be drawn into op le hearings on th New York Staff wrt indicated in a statu decision was influ sired not to become needlessly burd duplicated, proceed: countervailing publ The U.S. Transporta ment has already de ban Concorde follo nearby a decisio ing contested in the

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Summary of our Annual Report 1975

1974		1975
DM 2,202 million	Business Volume	DM 2,414 million
DM 2,100 million	Total Assets	DM 2,278 million
DM 1,892 million	Deposits	DM 2,019 million
DM 1,121 million	Bills and Advances	DM 1,262 million
DM 100 million	Capital	DM 100 million
DM 5,770 million	Consolidated Total Assets	DM 6,666 million

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The Partners

Cologne/Frankfurt, April 1976

OVERSEAS NEWS

Syria blocks Lebanon ports

CHARD JOHNS

THE Navy is mounting a campaign to force Lebanon to allow the entry of its own ships into the country's ports. The Navy is mounting a campaign to force Lebanon to allow the entry of its own ships into the country's ports. The Navy is mounting a campaign to force Lebanon to allow the entry of its own ships into the country's ports.

PRESIDENT ASSAD AND LEBANON'S CIVIL WAR

Pax Syriana in doubt

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

SYRIA decided in January that its own interests dictated direct involvement in Lebanon, and it committed itself to end the fighting and bring about a political solution. Before it had only been an interested outsider, offering a helping hand. The problems inherent in this course of action have now been highlighted by the latest round of fighting, for the logic of intervention is that it is difficult to limit and even more difficult to end.

The leader of the Left-wing forces, Mr. Kamal Jumblatt, did bow to Syrian pressure, but refused to have any Syrian-sponsored peace-keeping force. As a result there is a security vacuum—only partially filled by members of the Syrian-controlled Salqa Palestinian guerrilla group, aided by Syrian officers, and with their strength increased last week against Mr. Jumblatt's wishes.

Where does it intervene? How many troops would it require? Intervening would risk alienating all the parties to the Lebanese conflict and would also diminish Syria's role as honest broker. There is no obvious area where Syrian troops could interpose themselves between the opposing factions. Besides, to be effective, two divisions would probably be necessary. More problematically Syria might try to use units of the Palestine Liberation Army stationed in Syria, rather than its own troops, but the consequences would be almost the same.

Throughout, President Assad has been extremely cautious, anxious not to internationalise the Lebanese conflict, and clearing his moves in advance with interested outside parties, especially the U.S. and the Soviet Union. So far this has ensured international diplomatic support for Syria where it matters. But that could change if he sanctioned full-scale intervention. Further, given Syria's own delicate sectarian balance, President Assad cannot ignore the domestic consequences of intervention.

which have erupted within the PLO, resulting from Syria's desire to exert control over the security situation through Saiga have provoked a profound wariness of Syrian intentions within the PLO. The occupation by Saiga of certain strategic positions including the all terminals at Sidon in the past few days has only emphasised this point. The conflict of interest is further heightened by the open Syrian support for a strict observance of the 1989 Cairo agreements which laid down the basis for the Palestinian presence in Lebanon. If applied properly they would curtail PLO movements.

Parliament site in Beirut threatened

By Ihsan Hiji

BEIRUT, April 7 WHILE Lebanon awaits a solution to its year-old agony under extremely complex political and security conditions, life has become all the more difficult as a result of acute shortages and restricted movement and travel. Parliament has been called to a session on Saturday to pave the way for the election of a new President, but the site chosen as new quarters for the legislature is now threatened by shooting and sniping incidents. If this continues, the deputies may not be able to meet there on Saturday, observers said. Any further delay in the political process will only prolong the crisis, they added.

Egypt's military claims rejected

DANIEL

TEL AVIV, April 7. NG to Egyptian efforts to receive 50-60 Soviet fighters, nearly half of them the latest model of the MIG 23 (which Egypt did not have in 1973). Cairo has also taken delivery of most of the 38 Mirage-3 fighters ordered from France and part of its order for 24 British "Commando" troop transport helicopters for anti-submarine warfare. Additional contracts have been concluded with France for equipment not at Egypt's disposal before—42 "Gazelle" helicopters and the latest magic "Matra" 560 and 530 air-to-air missiles.

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Cambodia to elect new Government

BANGKOK, April 7.

THE Government of Cambodia resigned to-day and the outgoing Government, the assembly has full power to run all affairs of the nation. The new Government, the assembly has full power to run all affairs of the nation. The new Government, the assembly has full power to run all affairs of the nation.

President Amin stops supplies to Rwanda

NAIROBI, April 7.

THE IDI AMIN of virtually all industry in Rwanda is own economy in a has stopped and gas stations are has brought neighbour to a standstill by allow oil supplies to a landlocked nation, diplomatic sources say. President, Major Kenya. Oil bound for Rwanda universal Habyarimana, must pass through both countries. of crisis talks with Uganda, but claimed that large sections of to-day after apparently Kenya "historically" belonged to Rwanda. President Uganda, Nairobi retailed by lift the blockade on demanding Uganda to pay for all the of the world's oil in advance in hard currency. ions. The sources said UPI.

EUROPEAN NEWS

Italian politicians wrestle with crisis of government

BY ANTHONY ROBINSON

AGAINST THE background of a Rome coronation ceremony for the state visit of Egyptian President Anwar Sadat of Egypt, Italian politicians are taking place a political crisis which could well lead to early general elections and the dissolution of Parliament.

Socialist Party secretary Francesco De Martino has put forward two alternatives—either the formation of a new emergency government of all parties from Liberals to Communists, excluding only the Fascist Movimento Sociale (MSI), or early elections.

In effect this is the Socialist Party's response to the Christian Democrats' intransigent line on abortion which passed by a narrow majority in Parliament last week through a line-up which saw Christian Democrats and New Fascists opposed by all the other parties. But it also reflects the Socialist Party's belief that the present one-party Christian Democratic Government is pressing social and economic problems facing the country.

The Socialist proposal formed

the basis of an hour-long face-to-face meeting between Sig. de Martino and Communist Party Secretary Enrico Berlinguer this morning. With habitual prudence, however, the Communist leader reserved judgment saying that the Party's executive committee would give its considered opinion after this evening. But Signor Berlinguer has already made clear in a week-end speech that

Cruel wage bargaining was continuing to-night between Premier Aldo Moro, his senior ministers and leaders of the three trade union confederations in an attempt to reach agreement on some form of incomes policy, reports Domenico J. Coyle from Rome.

Meanwhile, the fire reacted to-day to the continuing political and economic crisis, closing more than eight points against the dollar at \$85.57.

ROME, April 7.

Christian Democrat Secretary Benigno Zaccagnini, meanwhile, has come out against early general elections at this time, and pledged the Party's continuing support for Signor Aldo Moro's Government. There are also signs that the Christian Democrats might be prepared to compromise on Clause two of the Abortion Bill, now being discussed in committee, by allowing consideration of economic, social and psychological factors.

This reflects considerable apprehension within the more enlightened parts of the CD party about their electoral chances at early general elections under the present circumstances.

There is widespread perplexity in the country about the way in which CD intransigence on abortion has been allowed to divert the Government's full attention from the economic crisis.

The economic crisis meanwhile and the need for a rapid solution to the outstanding national labour contract negotiations affecting over 5m. workers dominated the union government meeting which also took place to-day.

Jail terms in Madrid after Left protest

By Roger Matthews

MADRID, April 7.

SIX OF Spain's opposition leaders today began jail sentences for failing to pay summary police fines of up to Ptas. 1m. (£1,500). They were accused and fined without trial or defence for their alleged part in organising a demonstration on April 6 last Saturday in favour of an amnesty for political prisoners.

The six, who include economist Ramon Tames, were arrested in the bar of one of the capital's best hotels while talking to a BBC TV team. Another eight young people, who were among the 194 arrested during the demonstration, also went to jail today having been unable to pay similar summary fines of Ptas. 100,000.

Together with the other four Left-wing politicians and labour leaders who last week were sent for trial on charges which carry sentences of up to 30 years, the government has now made a mild if temporary dent in what it calls the subversive opposition.

A military tribunal in Ankara yesterday began the trial of General Emin Alpkaya, until recently Commander of the Turkish Air Force, on charges of mis-

handling funds allegedly entrusted to him on behalf of Turkish earthquake victims, writes Metin Ersoy from Ankara.

Two other officers, a colonel and a captain, are charged with similar charges. All have pleaded not guilty. It found guilty the men could be jailed for up to three years. The case came before an Army investigation committee was formed to probe allegations that Lockheed distributed \$1m. in bribes in Turkey.

Clides may go

President Makarios will preside over a joint meeting of his cabinet and the all-party National Council to-day to discuss the future of Mr. Glafkos Clides as chief Greek Cypriot negotiator at the intercommunal talks, an official source has said, writes our Athens correspondent.

It is thought almost certain that Mr. Clides will resign soon and that to-day's session of Ministers and political party leaders will name a successor. Names of Mr. Tassos Papadopoulos, deputy speaker of the House of Representatives, and former Foreign Minister Mr. Spyros Kyprianou are already being mentioned.

Iceland move

Fifteen British trawlers, with three Royal Navy frigates and two civil support ships, have moved from the disputed fishing banks off Iceland to the 200-mile zone off the north-west coast, also well inside the 200-mile zone, writes Jon H. Alagunsson in Reykjavik.

This is the first time since Iceland imposed the 200-mile limit that the British trawler fleet has been seen off the north-west coast and Iceland's west coast fishermen are furious. There has been no official reaction in Reykjavik so far.

Irish wages move

The Government of the Irish Republic is expected to make a renewed attempt to re-open negotiations on a new national wage agreement, writes our Dublin Correspondent in Dublin.

Norway pay deal

The Norwegian Government yesterday announced a package of measures comprising its contribution to the incomes settlement negotiated over recent weeks with the unions, companies and farmers' organisations, writes our Oslo correspondent.

The settlement, which will regulate incomes and farm prices over the next two years, aims at limiting inflation to 2 per cent. this year, compared to 11.7 per cent. in 1975, and at giving wage earners an increase in disposable incomes averaging 3 per cent. this year and a further 3 per cent. in 1977.

Finland strike

Talks went on through the night to settle the 14-day wage strike by the Finnish food industry, reports our Helsinki correspondent.

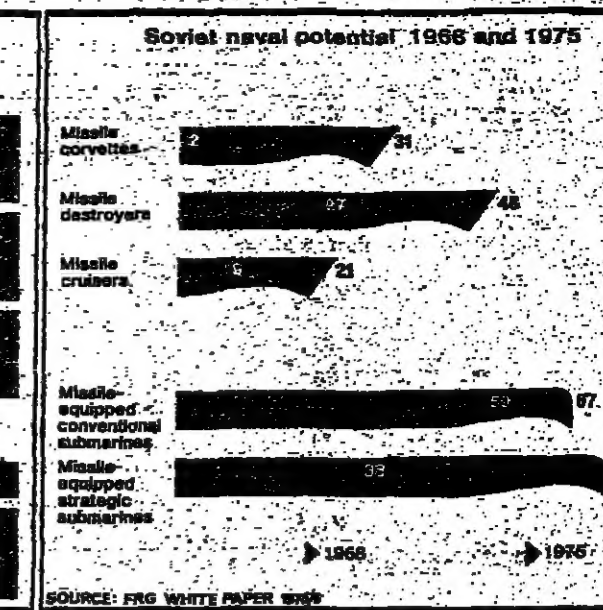
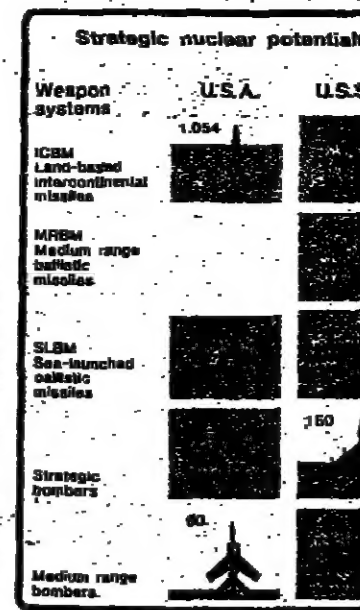
It was agreed to release fodder supplies for farm livestock but the measure may be late to avert measures of thousands of breeding fowl.

France's economic recovery is progressing by leaps and bounds according to the latest estimates not only of Jean-Pierre Fourcade, the Finance Minister, but of the Patronat, the French Employers' Federation.

Speaking in the National Assembly, M. Fourcade, claimed that GNP was currently rising at an annual rate of as much as 8 per cent., and that two-thirds of the road towards recovery had already been covered.

The Patronat, for its part, stated in its latest monthly bulletin that economic activity had picked up even in sectors which were normally the last to respond to recovery. Most significant was the recovery of production in the intermediate goods sector, where stocks had previously fallen to a very low level.

Demand for consumer goods had also remained at a satisfactory level since the beginning of the year, while the resumption of activity in the capital goods sector had become widespread. M. Fourcade estimated that the special tax concessions granted by the Government as part of its recovery package



Russian build-up of conventional and new weapons continues

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

LUXEMBOURG, April 7.

THE SOVIET UNION and other Warsaw Pact countries continue to build up their conventional armaments and this year will be putting into service a wide range of additional weapons.

These include more than 200 new-generation, intercontinental ballistic missiles; over 1,000 combat aircraft; over 700 helicopters; over 3,000 tanks; 4,000 armoured personnel carriers; up to ten nuclear submarines of which six will carry each 12 to 15 ballistic missiles of 4,500 miles range, and several major surface ships, including a 40,000-ton aircraft carrier.

These figures are contained in a memorandum on the Soviet weapons build-up, given to MPs by the Ministry of Defence, in fulfilment of a promise to publish that build-up made by Mr. Roy Mason, Defence Secretary, in Parliament at the end of March.

While this 14-page document draws together much information already available in such major reference works as Jane's All the World's Aircraft and Jane's Fighting Ships, it none the less provides additional information on a wide range of Soviet military capabilities and on current production.

For example, it reveals that the Backfire supersonic bomber is probably being built at the rate of about two a month, with some 50 built to date. At the same time a sophisticated series of new tactical swing-wing aircraft—Fencer, Flogger and Fitter C—is in quantity production.

The document suggests that there are some 30 to 40 factories engaged in aircraft production in the Soviet Union, and that between them they produce each year between 900 and 1,000 combat aircraft and about 700 helicopters.

On missiles, the document suggests that a wide range of new intercontinental ballistic missiles, intermediate range weapons, and submarine and air-launched missiles are under development.

It points out that production of liquid propellant long-range ICBMs probably reached 400 a year in the late 1960s. These systems, the SS-11, are currently being replaced by the SS-18, SS-17 and SS-19.

Under the terms of the SALT I agreement, the numbers

of these weapons are restricted to 210 for the USSR and 1,036 for the USA.

Production of these missiles will no doubt increase over the next few years, perhaps reaching about 300 a year until full deployment is achieved.

It is estimated that there are about 750 short, medium and intermediate range ballistic missiles (IRBMs) in service. A new IRBM, the SS-X-20, with a solid propellant, is being developed, and series production

is expected to start this year.

More than half these are "delivery platforms" for sea-launched ballistic missiles. In the same period, the Russians have also built about 30 conventional submarines, and 40 major and 70 smaller surface fighting ships.

Vessels built more recently have armaments and electronics "superior to most of their predecessors, and reflect a trend away from sheer numbers towards progressive qualitative improvement of the fleet."

As with other weapons, Soviet shipbuilders enjoy long production runs. For example, some 70 of the 2,500-ton Foxtrot class of diesel submarines built in Leningrad between 1958 and 1974 enabled large-scale ordering of long-lead components and refinement of the assembly process.

Production costs are also cut by standardisation of equipment and components across different classes. Such standardisation is partly responsible for the relative speed with which yards are able to complete vessels and—very important in an industry which usually takes ten years from concept to a worked-up unit—test, equip, and commission.

Commenting on land armaments, the document suggests that in recent years, annual Soviet tank production has averaged 3,000. "This enables the Soviet Union to maintain a force of some 40,000 main battle tanks, and provides for a quick response to emergency demands for more tanks, and the rapid replacement of tanks and other armaments."

Soviet quarters offer minimum levels of comfort and fittings are austere, and spare.

Where pay is concerned, the differential between a Soviet tank crew and a regular private soldier is 4:1 to one, whereas in the British Army it is 11:1 to one. If the pay of a Soviet crew is considered, the differential is 235 to one.

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It stops the F.T. index going up and down.

Most luxurious cars are necessarily a compromise.

A smooth ride is usually accompanied by excessive roll on corners.

And taut handling often means you feel every cat's eye.

Neither makes good reading.

The Peugeot 604 has been designed to compromise on neither ride nor handling.

Here particularly, all our years of rally success have given us a head start in suspension design.

In a recent road test comparing the Peugeot with a Jaguar XJ 3.4 and a BMW 528 'Car' magazine reported the suspension as "combining a similarly outstanding ride to that of the Jaguar with marginally greater roadholding, especially in the wet."

In terms of overall passenger comfort the Peugeot won hands down.

The orthopaedically designed seats and outstanding legroom in the back combined with the high rear roofline caused 'Car' to comment: "for four persons' comfort the Peugeot is a clear winner."

But for all its armchair luxury the Peugeot 604 is hardly lacking in performance.

The V6 aluminium engine will take you swiftly and effortlessly to 118 mph while

keeping the average fuel consumption down to around 23 mpg.

At £4,954 for the manual 604, even the price could be considered a virtue.

And £5,649 for an automatic 604 SL, complete with hide upholstery (electric sliding roof and tinted electric windows are standard to all models) will hardly require massive liquidation of assets.

So, as you read your F.T. in any other car, remember, in the back seat of a Peugeot 604 the only fluctuations are determined by the stock market.

☐ I am interested in comparing the Peugeot 604 to my Mercedes, Jaguar, BMW (other).

☐ I am interested in duty free export sales facilities.

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World famous for strength.

The Peugeot 604 price includes car tax, VAT and front seat belts, but excludes delivery and number plate charges. Prices correct at time of going to press.

AFTER THE BUDGET

Effect of tax on company cars still uncertain

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

EVERYONE IN the British motor industry is agreed that the effect of the new company car tax is extremely important. How important, however, is another matter. There are several estimates of its size, ranging from 70 per cent. of all new car sales, including small businesses who place the use of their car against tax, to about 40 per cent., including only those cars that are registered in a company name. But all these estimates are qualified in one way or another. It is clear, however, that the tax, levied only on employees earning (in salary or commission) more than £5,000 a year, will have a significant effect on the car market.

TAXATION SCALES: Employees will be taxed on the following sums, depending on the size of car they use if it costs less than £5,000.

Cubic capacity	1977-78	1978-79
Under 1,000 cc	125	250
1,000 to 1,500 cc	142	285
1,500 to 2,000 cc	180	360
2,000 to 3,000 cc	240	480
Over 3,000 cc	330	660

LEGAL NOTICES

Global Natural Resources Properties Limited

IN THE HIGH COURT OF JUSTICE (ENGLAND) CHANCERY DIVISION

In the matter of Global Natural Resources Properties Limited and in the matter of The Companies Act, 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 11th February 1976 made in the above matter the Court has directed that an Annual General Meeting of the members of the above-named Company be convened for the purpose only of transacting the business and considering, and if thought fit, passing as ordinary resolutions by poll vote each of the resolutions numbered 1, 2(A) to 2(E), 3 and 4 set forth below and that such meeting be held at the Grand Hotel, St. Helen, Jersey, Channel Islands on Wednesday, June 23rd, 1976 at 11.00 am (local time) at which meeting all members of the above-named Company are entitled to attend in person or by proxy (who need not be a member of the Company).

BUSINESS

RESOLUTION 1
1. To receive and approve the Reports of the Directors and the Financial Statements and the Auditors' Reports thereon for the years ended December 31, 1972, 1973 and 1974.

RESOLUTIONS 2(A) to 2(E)
2. To elect or re-elect all or any of the following persons to fill vacancies on the Board of Directors occasioned by retirement or deemed retirement at this meeting or heretofore or, if applicable, as additional directors:

- (A) Frank G. Beatty
(B) Walter H. Saunders
(C) Dr. Gerald Bezenberger
(D) Kenneth H. Parke
(E) George E. Dunlap

RESOLUTION 3
3. To confirm the appointment with effect from 1974 of Neville Russell & Co., Chartered Accountants, London, England and Richard A. Eisner & Co., Certified Public Accountants, New York, N.Y., U.S.A. as joint auditors of the Company.

RESOLUTION 4
4. To authorise the Directors to fix the remuneration of the Auditors.

NOTES: (A) Copies of the Company's Financial Statements and the Directors' and Auditors' Reports for 1972, 1973 and 1974 may be obtained from the office of GNRSP Shareholder Services Limited ("Shareholder Services") 36/37 Regency Square, Brighton, Sussex BN1 3FL, England.

(B) A holder of a bearer share warrant certificate representing Common Shares of the Company is entitled to attend and vote by proxy at the Meeting if not later than 11.00 am (Jersey time) on June 21st, 1976 such holder has:-

- (i) obtained from Shareholder Services by personal application or by mail, the documents authorised by the Court in order to vote or appoint a proxy (the "Proxy Documents"); in applying for the Proxy Documents, indicate language preference (English, German, French or Spanish);

(ii) lodged the bearer share certificates with a depositary bank of the holder's choice in accordance with the instructions set out in the Proxy Documents;

NOTE: Any bearer share certificates presently within or brought by holder within the scheduled territories (being the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar), must in accordance with the Exchange Control Act, 1947, be lodged with an authorised depositary. Nearly all banks within the Scheduled Territories are authorised depositaries for this purpose.

(iii) such depositary bank has forwarded the signed Receipt and Deposit Certificate (which is one of the Proxy Documents) to Shareholder Services, and

(iv) lodged the completed Form of Proxy with Shareholder Services prior to 11.00 am June 21st 1976.

(C) To attend and vote in person at the Meeting, the holder must produce the Receipt and Deposit Certificate to the Meeting.

The holder will not be permitted to vote either in person or by proxy unless the Depositary Bank has forwarded an acknowledgement of deposit to Shareholder Services so as to reach them prior to 11.00 am on June 21st 1976.

(D) The following particulars have been provided by the Directors proposed for election or re-election at the Meeting:-

Frank G. Beatty (U.S.A.) Certified Public Accountant (U.S.A.), Director of the Company since August 1971 and President since November 1972. Former partner of major U.S. accounting firm and former Executive Vice President of International Controls Corporation.

Walter H. Saunders (U.S.A.) Attorney (U.S.A.) Director of the Company since May 1971. Chairman of Liberian American International Corp. Former Vice President, Metropolitan Life Insurance Co., President of Transoceanic Shipping Co.

Dr. Gerald Bezenberger (Germany) Attorney (Ger.) Member of Trust Advisory Board of USIF and Director of German Shareholder Protective Association and International Association of Shareholders of IOS Funds (IASIF).

George E. Dunlap (Canada) Industry Consultant and Geologist. Formerly Manager of planning of exploration, development, production and other activities for Sun Oil Company Limited (Canada), officer and director of various subsidiaries of that Company, long-term Governor and Chairman of Board of Alberta Division of Canadian Petroleum Assoc.

Kenneth H. Parke (United Kingdom) Solicitor (U.K.) Formerly Group Secretary and Chief Legal Adviser of The British Petroleum Company Limited and its major U.K. subsidiaries.

By order of the Court
Frank G. Beatty
Walter Hyde Saunders

Dated the Second day of April 1976

Panel of 17 to advise Minister on problems of insurance industry

BY MARGARET REID

A 17-MAN panel of insurance experts has been set up to advise Mr. Peter Shore, the Secretary, on any signs of problem areas in the insurance industry and in connection with his monitoring of trends in this field.

"I hope this will help us to spot the potential danger areas in good time. For example, the panel will be able to guide us on new types of policies on offer to the public and will enable us to keep in closer touch with conditions in the insurance industry," Mr. Shore said yesterday.

"Prevention is better than cure," he told the National Union of Insurance Workers at Bournemouth.

Mr. Shore is today to announce new regulations concerning insurance brokers and other "intermediaries" taking part in the arrangement of insurance business.

The rules, recently introduced to tighten Government control over the insurance industry, will require disclosure to prospective policyholders of any relevant connections between intermediaries and the company whose policies they are selling.

Mr. Shore's action in setting up his new advisory panel, which includes many leading insurance managers, follows public concern over a number of allegations among insurance companies.

Members of the new advisory panel to advise Mr. Shore on exercise of his powers under the Insurance Companies Act, 1974 are: Mr. K. H. Allen, general manager and chief actuary, Commercial Union Assurance; Mr. D. B. Berry, managing director, Refuge Assurance; Mr. I. R. Binney, chief executive, C. T. Bowring (Insurance) Holdings; Mr. A. H. Chester, Lloyd's; Mr. W. Cowan, national officer, Insurance section, Union of Shop, Distributive and Allied Workers; Mr. J. Gaselee, freelance journalist; Mr. C. B. Heath, general manager (U.K.), General Accident Fire and Life Assurance Corporation; Mr. J. B. Hughes, deputy chairman, Lowndes Lambert Group; Mr. J. Kilo, Lloyd's; Mr. G. A. Kingsnorth, general manager and actuary, Scottish Widows Fund and Life Assurance Society; Mr. E. Lorenz, President, National Union of Insurance Workers; Mr. W. Reynolds, national secretary (insurance), Association of Scientific, Technical and Managerial Staffs; Mr. J. M. Seatter, group risk manager, United Glass; Mr. E. J. Turner, director and manager, Guildhall Insurance (Sun Alliance and London Insurance Group); Mr. M. A. Weinberg, managing director, Hambro Life Assurance; Mr. G. L. Williams, general manager (house), Guardian Royal Exchange Assurance; and Mr. J. Williamson, general manager for the U.K. Royal Insurance.

Deflationary mini-Budget may be needed, say stockbrokers

BY ANTHONY HARRIS

STRONG RESERVATIONS about the Chancellor's economic strategy, and especially the difficulty of financing the enlarged public sector borrowing requirement, are expressed in a number of analyses by stockbrokers circulated yesterday.

On balance, they point to the likelihood of upward pressure on interest rates, with a rather smaller possibility that a deflationary mini-Budget will be required later this year.

There is strong disagreement, however, about the prospect for economic growth. A monetary analysis from Greenwell and Co. points out that the economic impact of the deficit will be little changed from last year.

Given the expansionary effects of a lower rate of inflation and rising export demand, they expect growth to turn up very sharply, with a growth pattern "almost as unstable as in 1973-1974."

They forecast that trouble will become apparent about the end of the year, with a sharp acceleration in monetary growth.

"The Chancellor's strategy will appear to work during the early stages of the economic recovery, but the stance of public finance will not be anywhere near its long-run equilibrium position."

"There is no reason in principle why the U.K. should not be able to follow the experience of certain countries in the EEC. The years in advance of the end of the year, with only a slow reduction in unemployment."

public expenditure and restore fiscal policy to balance."

While there is widespread agreement that the authorities will face great difficulty in financing the public sector deficit without excessive resort to bank finance, the general view is that economic growth in real terms is likely to fall behind the Chancellor's target, while inflation will be more rapid.

Wood Mackenzie conclude that there will be little scope for any increase in personal saving, and that Government strategy of special deposits to neutralise the effect of this increase "in the money supply."

A much more sympathetic analysis comes from Phillips and Drew, who claims that the Chancellor's policy is "stable" and that the authorities will expect to result in a pay rise of about 6 per cent. including drift, will help to restrain home consumption and divert resources into exports.

It is significant that Phillips will not be anywhere near its long-run equilibrium position. Treasury forecasts in the immediate future, with an early turn-around in company investment (mainly in stocks), but to fall off towards the end of the year, with only a slow reduction in unemployment."

There is not so much urgency as far as the tobacco industry is concerned because the duty changes do not take place until May 10. So far the cigarette companies have not completed their sums and cannot say what the attitude to the price check scheme will be in future.

Their main problem is that they are still awaiting complete details about the new style of duty payments. They know that in future about one-third of their payments will not be required as soon as tobacco is withdrawn from bond as is the present case. But they do not know just how much time they will be given to pay.

Customs and Excise gave assurances yesterday that the details would be published "in a few days" but refused to give any hint at all about the length of the duty moratorium.

Brewers assurance on price check

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BREWERS yesterday told the Government that they were willing to let beer remain in the Price Check scheme even though the Chancellor added a pint in the Budget.

This assurance was given by the Brewers' Society representatives at a meeting called by the Department of Prices and Consumer Protection because the Government apparently feels that the duty increases gave the industry grounds for pulling out.

Like all the other manufacturers in the Price Check scheme, the brewers agreed to hold their price increases to under 5 per cent. for six months from February.

The Government's attitude came as something of a surprise to them because they had always believed that duty increases were a completely separate issue.

The DPC is also to hold meetings with the cigarette manufacturers, who are in the same position as the brewers—ending that the Chancellor has added

roughly 5 per cent. to retail prices at a time when the industry has agreed to hold prices down.

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Taxmen wait for Stage 2

BY MICHAEL BLANDEN

THE SECOND phase of the Chancellor's Budget tax relief, conditional on the results of negotiations over the next stage of the income policy, will mean considerable extra work for the Inland Revenue if they are introduced.

At present the Revenue is taking no action over the conditional income-tax changes, which include higher single, married and additional personal allowances and rises in the thresholds for higher tax rates. Income-tax codings are being issued on the basis of the revisions being introduced unconditionally, including age and child allowances.

The innovation of the conditional changes, however, would mean a further major administrative effort later in the year. However, the Revenue does not expect that the problem will be too serious, particularly as most of the changes could be done without the issue of new coding notices directly to individuals.

Out of the 25m. or so individuals covered by PAYE, it is thought that perhaps no more than some 400,000 would have to be notified directly of new codings on the introduction of the further reliefs. The bulk of the changes could be carried out by simply notifying employers.

This is thought, would be true of the proposed increases in single allowance, and the wife's earned income allowance by £50 to £75 and of the rise in married allowance by £10 to £10.55.

These could be coded with by issuing new figures to employers relating to the suffixes added to the coding which identify the status of the taxpayer, apart from the relatively small number of cases where no suffix is issued.

Similarly, the employer would carry the main work of implementing the changes in higher rate by issuing new coding notices to effect by issuing new tax tables to employers.

NEW CHAIRMAN OF BRITISH RAIL

Peter Parker: a crusader lands the big job at last

BY GEOFFREY OWEN

PETER PARKER, whose appointment as chairman of British Rail was confirmed yesterday, is at his best as a crusader. He believes passionately in a number of causes—the Labour Party, professional management, the social responsibilities of industry—and is equally vehement in denouncing anti-social behaviour, especially from asset-strippers and City whizz-kids. He is an amusing, energetic gregarious, a fluent and witty speaker. The question is—will he be any good at running things, especially something as big and complex as British Rail?

His record in this respect is not conclusive. Now aged 51, he has packed an astonishing number of part-time appointments into the past 15 years and he has almost landed several very big jobs, mostly in the public sector. But his experience as a full-time manager in industry is limited.

He was a major in the Intelligence Corps during the war, read history at Oxford (where he distinguished himself on the rugby field and on the stage), served as an unsuccessful Labour candidate for Bedford, worked for the Industrial Welfare Society and then helped organise the Duke of Edinburgh's Study Conference at Oxford.

It was this that brought him into contact with another Labour-inclined industrialist, Lord Campbell of Booker McConnell, who gave him a job. Parker's first serious assignment in industry was to take charge of Booker's engineering interests, a mixed bag of companies which badly needed knocking into shape. A bigger disappointment came in three years later when he became chairman-elect of the National Ports of nationalised men: his burning desire to prevent him from hiring high-calibre managers underneath him, from which he emerged with some credit.

By that time he was already established as one of Labour's favourite businessmen. He was a big disappointment came in three years later when he became chairman-elect of the National Ports of nationalised men: his burning desire to prevent him from hiring high-calibre managers underneath him, from which he emerged with some credit.

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Mr. Parker at Charing Cross Station, London, yesterday, after the announcement of his appointment.

this setback (he ca the "warden of ports") and quickly a new career for his private sector.

He had a tendency to be taken as one else, but he is a good job for in Shipping and Holdings (succession price even after the obtaining more than of the shares) and headed off an after Walter said on Ro three main jobs no man of Rockware, Day and of H. Clar insurance brokers.

Just how much time chairman com company is hard to judge, but Parker while Parker has been good to have played a reorganising the a series of ill-diges to delegating auth managers and in a catalyst for new levels.

Can he achieve the formation in a muc more demoralised British Rail? He is a major factor in the tide of na dropping, so has th said yesterday if opportunity which wanting for a long is determined to m of it is time of na panache to the talu of nationalised men: his burning future of the rail should lift the s colleagues and staff last resort his per judged by an sticks

Loans to South Africa attacked

BY MICHAEL BLANDEN

A STRONG attack on loans Central Finance Board of the South Africa was mounted by Methodist Church.

The resolution was supported by an influential group including representatives at yesterday's annual general meeting of the Church Commissioners with some 700,000 shares, and a number of local councils.

These included the West Midlands County Council, the London Borough of Camden, and the GLC which at a special meeting on Tuesday decided to put its weight behind the proposal.

Proposing the resolution Mr. Derek Farrow the Secretary of the Methodist Board, argued that it was not designed to inhibit company investment or trade with South Africa, but specifically to stop loans to the South African Government "which by 47.5m. votes against."

It was, he claimed, morally bankrupt to say it would be ordered to do so by decision of the Br movement.

David Haslam, the End Loans to South Africa alliance which a number of churches, universities, and other groups have joined, said they regarded one of conscience as a political issue.

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London Clearing Banks' balance at March 17, 1976

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England show the reserve positions banking sectors subject to or minor differences here are exclusion from the clearing of Courts, a subsidiary of Westminster but a clearing own right.

TABLE 1. AGGREGATE BALANCES

	Total outstanding	Change on month	Total outstanding	Change on month
	£m.	£m.	£m.	£m.
LIABILITIES				
Sterling deposits:				
U.K. banking system	2,860	+ 58		
Other U.K. residents	2,860	+ 22		
Overseas residents	1,670	+ 23		
Certificates of deposit	1,560	+ 45		
of which: Sight	28,462	+ 3		
Time (inc. CDs)	10,487	+ 191		
Foreign currency deposits:				
U.K. banking system	2,673	+ 196		
Other U.K. residents	588	+ 34		
Overseas residents	7,817	+ 622		
Certificates of deposit	1,110	+ 80		
Total deposits	40,818	+ 938		
Other liabilities	6,402	+ 274		
TOTAL LIABILITIES	47,550	+ 1,215		
ASSETS				
Sterling:				
Notes, coin and balances with Bank of England	934	- 20		
Market loans:				
U.K. banks	1,430	- 761		
U.K. banks	4,433	+ 240		
Certificates of deposit held	810	+ 120		
Local authorities	1,247	- 7		
Other	346	- 61		
	3,235	+ 131		

* Includes items in suspense and in transit

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

OF BANKS' BALANCES		TOTAL		BARCLAYS		LOYDS		MIDLAND		WESTMINSTER	
		Outstanding	Change on month	Outstanding	Change on month	Outstanding	Change on month	Outstanding	Change on month	Outstanding	Change on month
LIABILITIES		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Total deposits		40,818	+ 941	10,874	+ 945	7,763	+ 946	7,960	+ 173	12,532	+ 228
ASSETS											
Cash and balances with Bank of England		934	- 20	287	- 21	151	- 17	218	- 9	258	+ 28
Market loans:											
U.K. banks and discount market		8,739	+ 285	2,027	+ 25	2,056	- 32	1,518	+ 139	2,828	+ 145
Other		6,880	+ 503	1,643	+ 173	1,472	+ 54	1,169	+ 72	2,316	+ 144
Bills		1,714	+ 190	385	+ 45	456	+ 169	406	- 24	315	- 5
Special deposits with Bank of England		660	- 8	204	- 4	100	-	124	+ 1	203	- 1
British Government stocks		1,756	- 115	457	-	477	+ 64	355	- 32	427	- 141
Advances		20,855	+ 104	6,013	+ 15	3,197	+ 7	4,289	+ 13	6,689	+ 54

Scottish Widows opposes an for equity bank

JARGARET REID

ION to the ideas so far for an equity bank to capital to companies un-ise it in the market was yesterday by Scottish Fund and Life Assur-ty, Scotland's second office.

Widows, which has n. of funds, is one of pment insurance express reservations on y bank plan being pre- a working party under st Bigland, chairman of sb Insurance Associa- e project for the bank stitutions, including the concerns about pension- out back the new ven- which an initially paid- of £50m. is envisaged.

er idea that its total d capital should be up- has been dropped. Mr Mackenzie, chairman in Widows, said yester- the time the working set up we welcomed the as we would anything to improve the profit- the private sector. ver, when we saw the ort, we weren't happy. We have decided that we saw of the draft, we ot be prepared to e.

More Home News Pages 14 and 29

envisaged had been very large, and there were problems about the ranking of an unquoted hold- ing in an equity bank under official solvency margin requirements. Meanwhile confidential discus- sions on preparation of a final report by the equity bank work- ing party, and a prospectus for the bank, are going ahead. Publication of these documents is looked for before long. This stage, when reached, it may not be before Easter—will be two or three months later than the original target date, in view of the con- siderable controversy aroused by the project.

A number of institutions have lately ventilated views both for and against the equity bank idea.

Earlier this week Equity and Law Life Assurance Society described the proposals to set up the bank as "not attractive financially." Provident Mutual Life Assurance Association is ex- pected to indicate shortly that it has felt it right to support the initiative, though any commit- ment it undertakes will be strictly limited.

Backing for the equity bank concept came yesterday from Mr. Peter Shore, the Trade Secretary. He said: "It is surely obvious that it can benefit no one—least of all small investors—if our economy is starved of necessary investment. The longer-term interests of insurance companies, or their policyholders—indeed of everybody in this country—is inextricably linked with the health of British manufacturing industry."

Mr. Shore, who was addressing the National Union of Insurance Workers, had first remarked that opponents of the equity bank idea had emphasised that insurance companies were trustees of the savings of ordinary people and had therefore to act with due responsibility. "This is undoubtedly true," he added.

Scottish Widows annual report, Page 23

Meriden in deal with Moto Guzzi

By Peter Cartwright, Midlands Correspondent

THE 14-month-old Meriden motor-cycle co-operative concluded an agreement yesterday with Moto Guzzi, a leading Italian producer, to make a 125-cc model which it will market independently of Norton Villiers Triumph, for which it is making 650-cc Bonneville.

Mr. Denis Johnson, chairman of the co-operative, on arriving back in Coventry from agreeing the details with Sig. Alessandro de Tomaso, Moto Guzzi's managing director (also involved in rehabilitating the ex-British Leyland Innocenti plant at Milan, making Minis) said production from imported kits was expected to be in full swing in June.

Output figures have not yet been fixed for the machines which will be dependent on deliveries of components. But production at Meriden is expected to build up to several hundred a week by the autumn. Prices have still to be confirmed, but will be competitive with comparable Japanese machines selling at about £330. As production improves an increasing proportion of British components will be substituted.

The deal marks the first step toward independence by the Meriden co-operative, which is tied to the former owners of the factory, Norton Villiers Triumph, despite the fact that the company's two factories in Birmingham and Wolverhampton making Triumphs and Norton Comandos are in liquidation.

The co-operative, formed with nearly £5m. Government aid after a long stint because NVT had decided in September 1975 to close it, makes about 300 machines a week with 650 workers. In the first quarter this year it made 35 per cent. more Bonneville per employee than the Boston Consultancy reported to the Government had been the case under NVT.

Meriden's Italian connection Page 29

Provisional IRA silent over recent violence in Ulster

BY OUR BELFAST CORRESPONDENT

THE PROVISIONAL IRA has so far given no reason for the stepping up of its offensive in Ulster in the past week—an offensive which has been met with notable successes by the security forces.

Police were yesterday investi- gating a series of fire-bomb attacks made on shops in three towns.

In one incident, three members of one family living above their grocery store in Drogheda, Co. Down, were killed in the fire. The middle-aged couple and their 26-year-old daughter were

overcome by smoke. The Royal Ulster Constabulary in Belfast said about 30 people were helping their inquiries following the upsurge in bombings.

The Northern Ireland Office at Stormont pointed to these inquiries as an indication of the readiness of the security forces to counter violence. Mr. Rees, the Ulster Secretary, said after consultations with his security advisers that the quick police reaction had prevented further possible attacks.

In addition to the arrests, 16 weapons, nearly 500 pounds of explosives and a dozen mortars have been seized.

However, security forces believe that Protestant gunmen have been responsible for some of the shooting in Belfast, and there are fears of further Protestant paramilitary violence, in reaction to the IRA offensive. The Ulster Defence Association, largest of the Protestant paramilitary groups, yesterday launched its first long-playing record of loyalist tunes to raise money for the dependants of Protestants sentenced by the courts.

Police to probe city's direct works section

POLICE ARE to investigate alleged irregularities in a section of Manchester Corporation's direct works organisation.

The inquiries centre on a bonus incentive scheme covering a section responsible for maintain- ing and repairing council properties.

Councillor Robert Litherland, chairman of the direct works com- mittee, said yesterday that the irregularities were discovered during routine checks by the district auditor.

"We have asked the police to investigate but until they give us their findings we do not know the extent of the irregularities," he said.

Manchester Corporation said that these police investigations were not connected with the suspension last week of two senior officers of Greater Manchester Council and the cor- ruptibilities were discovered

plenty of applicants for civil service jobs

BY DONALD MACLEAN

RECRUITMENT TO the civil service was supported by the eco- nomic recession and general un- employment to a level in 1975 which was "satisfactory" by any standards, the Civil Service Commission says in its annual report.

In some small groups, such as those of "well-qualified" account- ants and statisticians, however, there continued to be a shortage of supply.

But the overall situation was "even in areas like central London, where in recent years

Tory gains seat on NUS council

By Michael Dixon, Education Correspondent

MR. STEVE MOON yesterday became the first Conservative student for several years to win a seat on the executive of the National Union of Students.

However, the voting at the NUS conference in Llandudno still left Mr. Moon—a 28-year-old Birmingham law student—the only member of the 17-strong executive whose politics are to the Right of Tribune Labour.

The others consist of 14 from the "Broad Left" alliance of Com- munist and Left-wing Labour students, and two International Socialists.

House plans by computer

THE GOVERNMENT-BACKED Scottish Special Housing Associa- tion, with a building programme of 3,000 houses a year, disclosed yesterday that its staff are using a computer to produce complete sets of drawings—for houses and for site lay-outs.

Under the system used by the association, an architect's sketch design of a house is fed into the computer. Details of components, materials, fittings, electrical lay- out, plumbing and other services are also given to the computer.

THE BIG CLEARING BANKS should withdraw from the direct operation of their credit card schemes and, personal loan activities and use their finance house subsidiaries to take over the marketing and administration of all such facilities, it is argued in Credit, the Finance Houses Association's quarterly journal.

Giving a personal view Mr. David James, chief executive of Rank Credit Facilities, maintains that this would resolve the con- tradictions in the present arrangements in the consumer credit industry.

The clearing banks should recognise that "they are not, and could not easily become, equipped for the conduct of profitable consumer credit operations."

At the same time, they should recognise that "the much maligned credit industry, already largely dependent on their good- will for survival, is itself the very means they need for admin- istering all forms of consumer credit through practised and developed underwriting and collection systems."

The office networks of the major finance companies repre- sent a far more effective medium for customer credit contact and follow-up than that presented by a clearing bank branch.

Mr. James also questions the logic of the banks running their own credit card schemes. There is no evidence, he maintains, that the cards have met either the objective of developing a wider service for the public or the aim of adding to bank profits.

The consumer credit strategy of the banks was incompatible with their operating style and their traditional relationship with the public. The banks, though not experienced in con- sumer credit underwriting not strategically equipped for debt collecting, had been able to reflect low money costs and over- heads in cheap customer charges.

The finance houses had to price their services uncompetitively high and had lost a major sector of the consumer credit market which had been the traditional source of sound credit-worthy borrowers.

P tanker to be converted to a floating fire engine

BY DAFFER, ENERGY CORRESPONDENT

PETROLEUM is to use ed tanker as a base for fire work, emergency and fire control duties offshore Forties Field, to be in the running for the contract. Oil companies changed their minds after a study of require- ments, however. As the vessels would have been required to operate as services and main- tenance bases as well as carry out general fire-fighting patrols, it was realised that they would have to be individually designed to meet conditions in each field.

Consequently, individual operat- ing groups have decided to order their own vessels. Phillips, for instance, is to use a semi-sub- mersible vessel for work on Ekofisk.

It was also learned yesterday that BP has decided to sell its 17 per cent. stake in a Turkish oil refinery. According to reports from Istanbul, BP can no longer afford to import crude oil for processing.

The Turkish Government has imposed a price ceiling on crude imports by foreign companies and BP has been unable to find oil that meets this criterion. The company confirmed in London that it had started negotiations with Turkish authorities on the sale. The 100,000 barrels a day refinery is owned by Mobil, Shell, BP and Marmara of Turkey.

depending on specifications. The shipbuilding yards of Scott Lith- gow on the Clyde and Appleford on the North Devon were believed to be in the running for the contracts.

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Special fares to Dublin

OUR MERSEYSIDE CORRESPONDENT

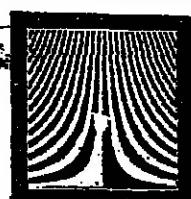
LOW fares, which of 12 per cent. in passenger bookings and 25 per cent. in freight-carrying, are to apply yesterday and Thursday next ten weeks on the Liverpool-Dublin car- rier services.

because of an increase apply.

Banking figures

9 in Bank of England Quarterly Bulletin) LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, SPECIAL DEPOSITS

	March 17, 1976 £m.	Change on month £m.
Liabilities		
on clearing banks	18,321	-489
ish clearing banks	1,955	+ 3
ern Ireland banks	805	- 5
ring houses	1,654	+ 13
r	5,754	+140
is banks		
oun banks	2,439	+127
ese banks	167	+ 12
overseas banks	1,755	+ 78
rtium banks	158	+ 6
otal eligible liabilities*	33,108	- 98
assets		
on clearing banks	2,510	- 73
ish clearing banks	277	+ 3
ern Ireland banks	91	+ 5
ring houses	364	+ 23
r	1,158	+134
is banks		
oun banks	459	+ 26
ese banks	26	+ 3
overseas banks	322	+ 5
rtium banks	34	- 6
otal reserve assets	5,240	+115
Ratio		
on clearing banks	13.7	-
ish clearing banks	14.1	+ 6.1
ern Ireland banks	18.2	+ 0.9
ring houses	22.0	+ 1.2
r	20.1	+ 1.9
is banks		
oun banks	16.2	+ 0.2
ese banks	13.5	- 0.3
overseas banks	18.4	- 0.5
rtium banks	21.4	- 5.0
mbined ratio	15.3	+ 0.4
	£m.	£m.
n of total reserve assets		
es with Bank of England	259	- 16
at call:		
count market	1,547	-188
her	197	- 29
erve certificates	—	—
orthern Ireland Treasury Bills	1,681	+353
ills:		
out authority	57	- 1
ommercial	579	+ 22
Government stocks with one year		
ss to final maturity	620	+ 72
	—	—
tal reserve assets	5,240	+115
	£m.	£m.
rmment stock holdings with mar-		
er year but less than 18 months to		
urity amounted to	—	-354
houses		
liabilities	262	+ 2
assets	321	+ 2.1
%)	12.2	+ 0.8
deposits at March 17 were £375m. (up £31m. for banks mechanized) for finance houses.		
st-bearing eligible liabilities were £22,561m. (down		



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TEXTILES

Better stretch in cords and belts

BEFORE man-made fibres, it was normal practice to reinforce industrial rubber products with cotton cords and even today many bicycle tyres are strengthened in this way. The next step was the development of viscose rayon reinforcements which became stronger and stronger, culminating in such descriptions as "super high tenacity".

After the second world war synthetics began to penetrate this area. Now both nylon and polyester cords are widely used in making such diverse reinforced rubber products as pneumatic tyres, V-belts, inflatable structures and conveyor belts. As these special fibres emerged so the performance demands made of products increased.

Speeds rose and working temperatures also became higher so that it was incumbent on the fibre producer and the processor of cords between them—and

the rubber companies—to work within ever finer tolerances. Cords of this kind represent a compromise. On the one hand a company wants maximum strength, but the degree of stretch in a cord also needs to be determined very precisely.

Linked with the development of precision cords is also the problem of adhesion between cord and rubber.

The John Bright Group (P.O.B. 26, Fieldhouse Road, Rochdale, Tel. 0706 49421) has been working on these problems for many years and about a year ago decided to develop a completely new and more advanced system of processing cords for critical industrial applications.

The first machine for continuous treatment of cords by the new John Bright process is in operation at Rochdale and later this year a similar type of machine will be brought on stream for continuous processing of fabrics for conveyor belting.

The new machine which has been developed is a drawing system with a two-bath coating arrangement and two passes through the curing oven.

A number of yarns are fed through a stack of rollers that apply an exact drawing or stretching tension to the cords. This may be precisely controlled and can exert up to 25 kg. per cord.

From the five-roll stack the cords are taken through a dip bath and coated with a first compound that bonds to the cord itself. They then enter an oven in which the temperature is very precisely controlled to about plus or minus 1 degree C, while the tension, or stretch, applied to the cords is held at the desired level. The coating is dried and cured while the cord is thermally set so that it will have exactly the correct degree of strength and modulus of elasticity specified by the user.

After this treatment the cords are taken through pull rolls and again dipped and taken through a second heating zone which may be at the same temperature as the first or at a somewhat different level, depending on requirements.

Removed from the oven through a final stack of pull rolls the cords are wound up individually on packages ready for subsequent processing. This first small machine is largely concerned with cords for the V-belt trade, and it handles 40 ends at a time.

The two coatings are often essential as the first bonds to the cord and the second to the rubber which may be natural or synthetic. This provides a "bridge" between the cord and the flexible and extensible rubber.

John Bright has developed this advanced technology for its own use, but is prepared to consider licensing it to other companies.

HANDLING

Conveyor line can take the heat

SPECIALIST in continuous handling, ABP Manufacture, whose British associate is Hytrac Conveyors, has carried out the installation for a degreasing, priming and dip-painting line for the Moulin organisation in Meaux, France, which has to withstand particularly high stoving temperatures in the drying tunnel.

Although the tunnel operates at 180°C and can run at 200°C to speed up operations when required, the conveyor chain has given no trouble, thanks to the formulation of the greases which are automatically applied at predetermined intervals. Moulin has about 30 per cent. of the French market for the single range of products it makes—racking for domestic storage and for display purposes—and exports some 10 per cent. of its 22m. sales a year.

The finish applied to the racking is a specially formulated organic paint which is resistant to really hard blows, even from a steel edge tool. But the main significance of the system as timed stoppage, lifting or dropping, buffer stock holding, switching to a check line, etc.

user very quickly to raise production or to change over to any of a very wide choice of other products—it has already been approached on several occasions to provide a "bespoke" painting service for other industries.

Meanwhile, the company has been considering the use of synthetic resin paint which can be cured very quickly at temperatures of around 300°C.

At Meaux, the double-track system employed runs 45 support bars each depending from a pair of carriers and operating under a tight control programme which takes account of dipping time, paint drip time and stoving time.

As with most of the company's Polyplan designs, it allows for acceleration and deceleration, and the system is timed to stop, stoppage, lifting or dropping, buffer stock holding, switching to a check line, etc.

Maximum charge per carrier is 400 kilos and the mean load is 250 kilos so that the top load to be carried by the conveyor will be about 13 tonnes.

ABP has built and installed conveying systems up to 15 tonnes per unit load for the transport of coils for the steel-making industry.

With Hytrac, it has developed a low-cost, lightweight conveyor system for unit loads from 25 to 50 kilos, simple enough to be installed by personnel of user companies.

A number of variants offer the possibility of multiple circuits, operation in severe conditions, etc., and a very wide range of running speeds.

ABP sent some 35 per cent. of its product overseas in 1975 and turnover is running at about £2m. a year. Around 50 major conveying installations have been installed in 30 foreign countries.

ABP-Manufacture, 144 avenue Joffre, 93600 Epinay sur Seine, France and Hytrac at Thurston Road, Barking, Essex, LEA 7LE, 0533 785221.

POWER

Switch for thousands of amps

NOW being made in the U.K. by BICC-Burndy is a very high current DC switch designed for applications such as chlorine production, aluminium smelting, sodium manufacture, rectifier isolation, electrolytic copper refining and electroplating.

The company is completing its first major contract for the switch, a 5m. installation at the Castner Keller work of ICI at Runcorn where chlorine is made by the electrolysis of brine using cells in which one electrode is at the top of the tank while mercury flowing over a steel base forms the other. Chlorine bubbles off for collection while sodium forms an amalgam with the mercury. Cells are grouped together into

units and current passes through all the cells in series.

Main purpose of the switches is to disconnect cells for maintenance, on average once a day for each cell. A cell is taken out of circuit by shorting it, leaving the others virtually unaffected.

At Runcorn there are 100 cells with a maximum load current of 225,000 amps and one of ICI's problems has been the increasing cost in labour and materials of maintaining cell shorting switches.

The BICC-Burndy system was chosen mainly for its simplicity of design and ease of maintenance: a short time spent by a minimum number of people in the hot, unpleasant environment of the cell room was a prime consideration.

Each switch module consists of rigid and flexible terminals which bolt to the bus bars. The solid terminal supports the drive mechanism. The flexible laminated copper strap serves as a heat sink for the heat generated at the contacts and also accommodates any misalignment due to thermal expansion of the bus bars.

Flexibility of the strap allows various arrangements of the module so as to ensure maximum protection of the contacts from

the spillage of corrosive fluids and permits installation in limited spaces.

The modules are driven from a common jack shaft operated by a pneumatic cylinder, or manually. A toggle mechanism moves an insulated drive rod through a guide-bushing and loads the heavily pre-loaded steel springs.

There are two sets of contacts: "arcing" and "main". The arcing contacts absorb the arc generated when the switch is actuated; they are designed to close before the main contacts and open after all the main contacts are open, thereby protecting the main set.

The silver plated copper main set are an integral part of the contact plate ensuring the lowest possible contact resistance. The arcing contacts are made from silver alloy and are easily replaced without removing the module from the bus bars.

Active marketing of the system is taking place in U.K., Europe, Africa and the Middle East where applications are expected down to the level of large electroplating plants. More from W. F. Smith, Les Green, St. Helens, Lancs. (0744 240001).

It is claimed to be resistant to natural and acids as well as lubricants, petrol and detergents, whose resistance is said to long-term application about 50 degrees C. has a smooth flex which resists abrasion low coefficient of friction.

A liquid system, apply, easy to mix, at ambient temperature is bonded to a range including concrete, metal, ABS, GRP and

Corrosion inhibitors

LUBRICANT manufacturer Smallman and Son, a solvent-based preventive. Crow Based on semi-aromatic and a synthetic ester, it has an anti-surface.

It is colourless a tentionally covers a than the products' complete. It is clear.

Providing three, rosion protection, only an element; the weather, it long-term storage varied as small enponents and large sheets. It can by solvent or vapor or by some of the degreasers which electroplating plants. More from W. F. Smith, Les Green, St. Helens, Lancs. (0744 240001).

ATTENTION: HOLDERS OF PENNZOIL OFFSHORE GAS OPERATORS, INC. Convertible Subordinated Debentures due 1979

NOTICE OF REDEMPTION OF DEBENTURES ON MAY 28, 1978

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 1, 1970, between Pennzoil Offshore Gas Operators, Inc. ("POGO"), Pennzoil United, Inc. (now named Pennzoil Company), and Bank of America National Trust and Savings Association, as Trustee, POGO has elected to redeem and will redeem on May 28, 1978 ("Redemption Date") all the Convertible Subordinated Debentures due 1979 (the "Debentures") then outstanding under the Indenture. The redemption price at which Debentures will be redeemed is 100% of the principal amount thereof, together with accrued interest thereon to the Redemption Date. Interest on the Debentures will cease to accrue from and after the Redemption Date. The redemption price and accrued interest will be paid upon presentation and surrender of the Debentures at the offices of the Trustee, Bank of America National Trust and Savings Association, at its Corporate Agency Service Center Special Programs Unit, 55 Hawthorne Street, San Francisco, California 94105, or at its Corporate Agency Division, 111 West Seventh Street, Los Angeles, California 90014, or at the offices of the Trustee's Authenticating Agent, Marine Midland Bank, Corporate Trust Department, 140 Broadway, 12th Floor, New York, New York.

RIGHT TO CONVERT DEBENTURES INTO POGO COMMON STOCK

The holder of any Debentures has the right, at his option, to convert, up to the close of business on May 28, 1978 (at which time said right will terminate) the principal amount of such Debentures into shares of Class B Common Stock of POGO at the rate of one share of Class B Common Stock for each \$5 principal amount of Debentures surrendered for conversion. At March 30, 1976 the reported market price in the over-the-counter market of Class B Common Stock of POGO was \$12.75 bid and \$13.00 asked. Thus, for example, if a holder of \$1,000 principal amount of Debenture had converted such Debenture into POGO Common Stock at the conversion price of \$5, the 165 shares of POGO Common Stock he would have received upon conversion would have had an aggregate market value, based on the bid price, of \$2116.50 at March 30, 1976.

No adjustment for interest on the Debentures is made upon conversion. Accordingly, if you plan to convert your Debentures, you should instruct the Trustee or the Trustee's Authenticating Agent to effect the conversion as soon as possible after the interest payment date of May 1, 1976 but prior to the close of business on May 28, 1976.

POGO believes you should give serious consideration to whether you should convert your Debentures into Class B Common Stock of POGO prior to the time your conversion right will expire at the close of business on May 28, 1978. If you plan to convert your Debentures, in order not to lose the semi-annual interest payment payable on your Debentures on May 1, 1976, it is important that you convert your Debentures after May 1, 1976 but no later than May 28, 1976.

PROCEDURE FOR CONVERSION

The Debentures to be converted must be surrendered to the Trustee or the Trustee's Authenticating Agent as set forth below. The request for conversion is printed on the back of the Debenture certificates and must be duly endorsed on each certificate. The method of delivery is at the holder's option and risk but registered or certified mail is suggested.

(Trustee)		(Trustee's Authenticating Agent)	
Bank of America N.T. and S.A.		Marine Midland Bank	
Corporate Agency Service		Corporate Trust Department	
Center Special Programs Unit		P.O. Box 1749	
55 Hawthorne Street		Church Street Station	
San Francisco, California 94105		New York, New York 10008	
Hand Delivery: Corporate Agency Division		Hand Delivery: Corporate Trust Department	
111 West Seventh Street		140 Broadway, 12th Floor	
Los Angeles, California		New York, New York	

No fractional shares of Class B Common Stock will be issued. If a conversion results in a fraction of a share, the holder will be paid an amount in cash equal to such fraction multiplied by the average of the closing bid and asked prices of such Class B Common Stock on the last trading day immediately preceding the date of conversion, as furnished by any member of the National Association of Securities Dealers, Inc. selected by POGO for that purpose.

After provision has been made, as provided in the Indenture, for notice of redemption of the Debentures and for the payment thereof, the Debentures shall cease to be entitled to any benefits under the Indenture, other than the right to receive the redemption price, together with accrued interest to the Redemption Date, or the right to convert the Debentures called for redemption into Common Stock until the close of business on the Redemption Date as described above.

PENNZOIL OFFSHORE GAS OPERATORS, INC.
By W. A. Hover, President
R. B. Berryman, Secretary

Dated: April 5, 1978

METALWORKING

Interlas in novel launch

SOLID STATE ac/dc TIG welding equipment is being offered to U.K. users by Interlas which says the U.S.-designed unit is the first production model of its type to reach the market.

Available with ferrous and non-ferrous alloys and particularly successful with aluminium and its alloys, the unit provides a square wave output, gives excellent cleaning action and penetration and almost completely eliminates tungsten spitting.

A major reduction in power costs to 50 per cent. less than for existing machines of equivalent output is a further claim, together with a further claim to increase in welding speeds.

Two current ranges, 5-75 and 10-350 amps are provided and response to any adjustment is almost instantaneous.

Synovex 300 is designed and manufactured by Miller Electric Manufacturing of Appleton, Wisconsin and Interlas Welding Products is at Hitchin, Herts. (0462 50465).

DATA PROCESSING

Wider scope for remote processor

MODEL 1600 remote communications processor by Harris, a remote batch terminal system, has been updated with the announcement of a key entry station, model 1675.

The system can now handle remote batch applications, source data entry and collection, data base inquiry and response, manipulation of local data base files and local processing, simultaneously and in any combination.

Key entry runs under the 1600 operating system. It controls and co-ordinates all key station activity, permitting independent key entry tasks, and incorporates a new high level programming language which enables the user to create key entry programs.

Known as REGAL (remote generalised application language), this language makes the development of complex and time critical key entry tasks as simple as a conventional batch data processing application. The REGAL interpreting compiler occupies no more than 7k bytes and over its high core utilisation, the re-entrant paging methods employed.

Screen of the key entry station has 960 or 1820 character displays allowing extensive use of prompts to help the less skilled operator. Each key station can have access to all or a limited number of tasks enabling a single station to be used for a variety of applications. A supervisor station can be designated and comprehensive operator statistics obtained.

Keyboard display stations are microprocessor based and can be sited remotely for communication via modems. A variety of keyboard layouts is available and a 12-key function group enables easy access to high usage programmes and files.

Database is nearer to the ideal

HONEYWELL'S IDS II, the existence of which is claimed to be the reason for the switch by the University of Aberdeen from ICL to Honeywell, has now been introduced to the U.K. market. This seems to be the first formal announcement to have been made this side of the Atlantic, for though now in use by a major Swiss store group, IDS II has not otherwise been introduced to the European market generally.

IDS II is the first of the integrated database management systems to comply as fully as is possible with the recommendations of the International database task group CODASYL. This group has been attempting for years to arrive at defining a data independent data management system, which could then become an industry standard.

The strength of such a system is, of course, that it is a major step down the road of freeing the user from various machine dependencies which arise because of the incompatibility of many manufacturers' computer systems and the software that goes with them.

Smaller and faster than IDS I by up to 30 per cent., it is claimed to be capable of implementing very large databases of up to 86bn. records. It has also been devised to support a variety of data structures.

IDS I, announced in the late 60s, is in use in some hundreds of installations. The original IDS (Integrated Data Store) work owed much to the ideas in the Ferranti Atlas, and was initially carried out in the early 60s for American GE, when GE was first attempting to create a single manufacturing control system for its multiple manufacturing centres.

IDS II will be immediately available for the large scale Series 60 Level 66 systems, while a subset will be available on medium-scale Level 64 systems during 1977.

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BUPA

H. A. N. Brockman examines the real importance of a new report which spells out in detail the crisis now facing the architectural profession in Britain as the general economic slump continues

A design for professional survival

THE PROBLEMS currently facing the architectural profession are spelled out in a report published by the Royal Institution of British Architects which is even more important for the fact that it has been invited by Mr. Reg Fresson, Minister for Housing and Construction, than for the way it makes clear the threat posed by the current economic situation.

Diverse

The RIBA submission is unconnected with the long-standing Monopolies Commission examination of the professions generally—indeed, the Commission seems to have gone to sleep during its prolonged and, so far, unresolved look at the position of architects in relation to the fee principle (as opposed to commercial competition between one practice and another). Rather, and this is where its value lies, it stems from investigations by a Government Department. And this, as opposed to the Commission's dilatoriness, at least ensures that the RIBA can put forward an argument for the profession's survival—which at the same time constitutes constructive suggestions concerned with the building industry as a whole, of which it is an integral part—in the hope that it will be properly considered and perhaps accepted.

The RIBA is straightforward in its approach. "The world owes neither the architectural profession nor the building industry a living," it says. "The extent to which different industries can effect or determine the conditions in which they operate nevertheless varies greatly and is affected by their general political power. The construction industry is politically weak; and, by reason of its diverse, diffused, and fragmented character, has little chance of achieving for itself the co-ordinated management of its affairs possible for other comparably large industries. Yet its product and its efficiency are of great importance to the economy and welfare of the country. This places upon Government, which has a controlling influence on public sector demand and a considerable indirect influence on private demand, a special responsibility to do for construction in the national interest what it cannot do for itself."

Basically, the RIBA is not looking for special treatment but for a fair deal in which the architects shall have "a considered place."

Turning to the current situation, the RIBA, apart from drawing attention to the disastrous drop in the workload, emphasises the fact that architects are scarce in peak periods but at a surplus in times of

depression, and more so now than ever. This suggests that the total of architectural staff would be about right for the underlying level of past or even future demand if only an effective way could be found to even out the flow of work. "In normal times, between half and two thirds of public sector design work is undertaken by in-house teams, and the rest by private practice. In a boom there is a tendency for more work to be put out to consultants and for official establishments to become depleted because of the difficulty of filling vacancies in competition with keen demand from private practice. In a recession less work goes out, public offices find it easier to fill vacancies, and staff are shed by private practice. The interchange of staff spreads experience; and the movement of middle level staff between sectors and of senior officials into partnerships in private practice makes the inside knowledge of the public sector and the experience of handling his programmes of work an important part of the expertise of consultants in this country," says the RIBA report.

These pointers to the interdependence of public and private practices could lead to much more employment

stability. But this does not imply any encouragement of the kind of "empire building" that always goes with the extension of powers and boundaries by public authorities which, questionably, consider that the architects department can always produce a cheaper and better job than the private practice. The best means of curbing extravagances is the watchfulness of elected representatives and the public itself.

Another aspect of the employment question is the plight of students. Normally, a student is able to find a place with an architectural practice for the two years' practical experience necessary for the completion of his seven year training. But the recession is now denying students this opportunity. For the first time since the war, offices have no work in offer. Although some offices are still working on commissions received in 1973, the absence of new commissions will mean that a far larger number of students will be in a worse position at the end of this year and, without the necessary training, will be unable to qualify.

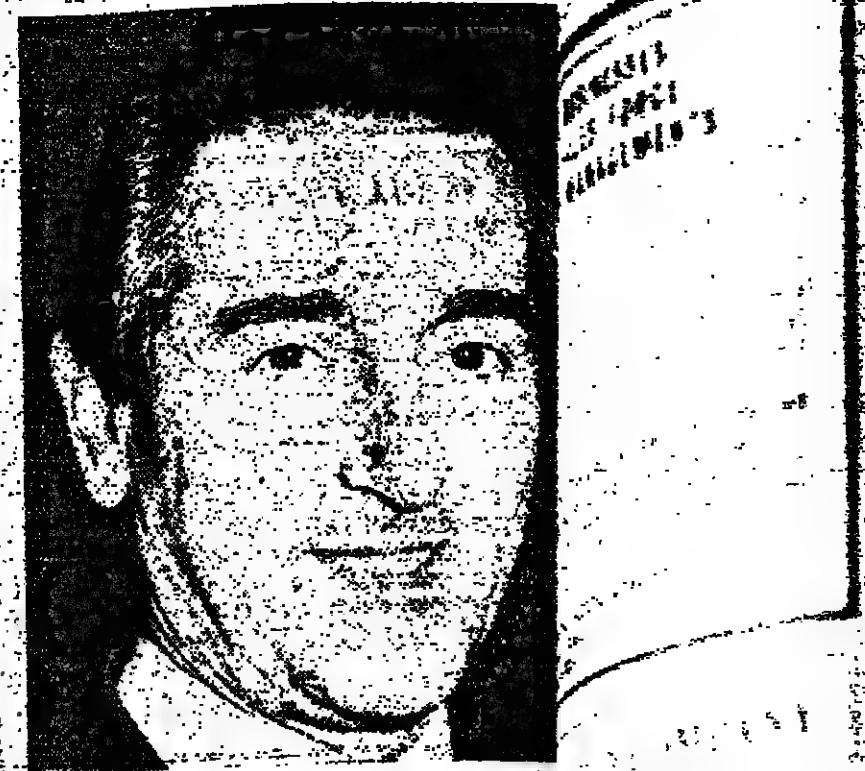
All these matters and many more point to the need for the immediate start of assessment and preparatory work to ensure that when recession comes the industry can handle what should be a gradual and controlled increase. The old "stop-go" has always been harmful to construction.

How this is to happen is a matter for the Government, but the RIBA has strong views on an interim programme. The idea of a "moving shelf" of projects on which design work is done in advance would have great value for the design professions as well as for builders who would then be able to bring forward plans for contracts.

Concentrated

Work could, in particular, be concentrated on small housing schemes and rehabilitation work which can produce quick results, and are also labour and craft intensive.

There is an opening for work involving small capital expenditure. This would be valuable not only to architects but to surveyors and engineers. Such a programme of research, development, and pre-planning for economic revival is rather like the war-time planning for reconstruction. If this were seen "in relation to the radical changes now facing the industry on energy conservation, economic and environmental needs, and productivity... a far-reaching programme could be



Mr. Reg Fresson, Minister for Housing and Construction. He chairs the committee now investigating the plight of the architect.

planned which would have both short-term and long-term benefits. The RIBA recommends the Liaison Group to consider this in detail.

The RIBA also stresses the special importance to the design professions in securing a larger share of overseas construction work. The setting-up of the Construction Industry Export Board and the British Urban Development Services Unit are to be welcomed as giving overseas support for British consultants overseas. It is to be hoped that the Department of Health and Social Security will be closely associated with the Board's work, as hospitals and health services are one of the first ingredients in the social and economic programmes of developing countries. The great existing opportunity

offer the badly-needed design services to offset the home. The Board to assemble Government bid place this country position to construction recently projects. At the would be valuable could involve smaller, better versatile practice not on their own overseas markets. In its construction the RIBA sees as the main reason the Construct in the social and economic difficulties and management for

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APPOINTMENTS

Charterhouse gets post for Lord V

Lord Wall, a director of the Exchange Telegraph Company (Holdings) and Laporte Industries, and a former deputy chairman of the Post Office Board has been appointed chairman of CHARTERHOUSE DEVELOPMENT CAPITAL, a new company, shares in which are being placed by Charterhouse, with institutions which will provide equity finance for small companies.

Mr. Edward G. Cox, chairman and chief executive of Charterhouse's existing development capital subsidiary, Charterhouse Development, has been appointed managing director, and the other directors are Mr. J. F. E. Bowman, Mr. G. D. B. Hopkins and Mr. H. W. Wells.

P. Murray-Jones states that the following have joined the Board of REXTON'S AND MIB: Mrs. A. M. Morton, Mr. G. S. Haslehurst, and Mr. D. H. Clarke (non-executive).

Mrs. G. McLean, Mr. G. R. Holland and Mr. R. B. Willis have been appointed directors of LIND PILING. Mr. F. E. Prior has resigned from the Board following his retirement as a director of FRYER LIND AND CO.

Mr. G. Graham, Ore has been appointed brewing director of FULLER SMITH AND TURNER, and retains his position as head brewer.

WIGHAM POLAND GROUP has appointed Mr. Trevor Routledge a director of Wigham Poland Motor and Mr. Philip Lewis to the Board of Wigham Poland Life and Pensions.

Mr. Don Elgie, managing director of Don Elgie, and Mr. Fred West, managing director of F. R. West, have joined the Board of ALLIED PLANT GROUP, the parent concern.

Mr. Michael Geller, managing director of the Board Trade Division of C. H. INDUSTRIAL, has been appointed a 'main' Board director.

Mr. J. D. W. Field is to become chairman of the WESLEYAN AND GENERAL ASSURANCE SOCIETY from May 1. He will succeed Mr. R. R. Woodgate, who retires from office at the end of April.

Mr. M. S. Sacramento has been appointed deputy manager of the London branch of BANCO CENTRAL SA, Madrid.

Mr. R. J. Moore, at present managing director of Mather and Platt Australia, will succeed Mr. H. C. Smith as managing director, machinery group, of MATHER AND PLATT in Manchester on July 1. Mr. Moore is previously reported Mr. Smith has become managing director of Mather and Platt.

Mr. Angus Murray has joined the Board of the NEWALL MACHINE TOOL COMPANY and has been appointed deputy chairman. Mr. Murray is chairman of Redman Heenan International and Barker Electric Company and a director of other companies.

Mr. Ian Hamilton, previously with Mercantile and General Insurance, has joined REYCHURCH REINSURANCE BROKERS as overseas development manager.

Mr. Charles Verdon has been appointed director of personnel services of PLESSEA TELECOMMUNICATIONS. Mr. Guy Whitefield, currently employee relations officer, Plessea Telecommunications, has been made

Mr. J. Pollock has been appointed to the Board of T. L. N. as sales director (sales).

Mr. Colin G. Trol has been appointed marketing director of SALTER INDUSTRIES.

Mr. James Lines has been appointed group manager of JOHN RAYCRAFT HOLDINGS, director of John RAYCRAFT (Lifts) Ltd. following the death of the group.

Mr. Michael Sydes has been managing director of Radio International. He is to be succeeded by Mr. R. A. Smith, who has been appointed a group Board director.

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Mr. Colin G. Trol has been appointed marketing director of SALTER INDUSTRIES.

Mr. James Lines has been appointed group manager of JOHN RAYCRAFT HOLDINGS, director of John RAYCRAFT (Lifts) Ltd. following the death of the group.

Mr. Michael Sydes has been managing director of Radio International. He is to be succeeded by Mr. R. A. Smith, who has been appointed a group Board director.

فكانت له الأول

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Jeppesen, world leader in flight information — pilot supplies — programmed flight instruction, seeks expansion of products and services. All types of acquisition will be considered. Information treated in strictest confidence.

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Dept. FT
Frankfurt/Main
Haberstrasse 77
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We normally purchase goods direct from suppliers for resale
through our own organisation. Under certain circumstances we
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If you are interested in increasing turnover, please write in first instance
brief details of product range to Box E7737, Financial Times, 10, Cannon
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American marketing executive, with extensive retail connections,
leaving shortly for U.S.A., is seeking a distinguished, quality
product line, of a highly reputable, well established, profitable
U.K. manufacturer interested in expanding activities and interests
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equity basis, which will also help to build up dollar capital. Low
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CONTRACTS AND TENDERS

SCOTTISH DEVELOPMENT DEPARTMENT

LONDON-EDINBURGH-THURSO TRUNK ROAD AS
CONSTRUCTION OF DRAINAGE CULVERTS UNDER
PERTH TO INVERNESS RAILWAY LINE

The Secretary of State for Scotland proposes to invite tenders
from experienced contractors for the construction of drainage
culverts beneath the track formation of the Perth to Inverness
Railway Line in the vicinity of Dalnaspilal between Blair
Atholl and Dalwhinnie. This work is being carried out in
association with the construction of the new trunk road A9
from North of Calvine to the Regional Boundary.

The construction is of 12 precast concrete culverts ranging in
diameter from 1050mm to 1350mm and includes headwalls,
catchpits and the regrading of watercourses. Ground
conditions likely to be encountered vary from soft, water-
saturated sandstone to soft peat and construction techniques
will probably include the laying of pipes in open trench
supported with sheet piles, working under water beams and the
driving of precast segmental tunnelling. The use of explosives
will not be permitted. It will be necessary for the contractor
to phase construction with extensive railway improvement
works proceeding concurrently and also complete the culverts
to an agreed programme. The estimated cost of the works
is £0.09m.

It is hoped to issue contract documents in June 1978.

Contractors wishing to be considered for inclusion in the list
of firms to be invited to tender for this contract should apply
to The Secretary, Scottish Development Department, 20CR
Building, 3 Rochester Gardens, Edinburgh, EH3 5NF not later
than 23rd April 1978 (quoting reference RUP/11/5/1/1).
Thereafter, invitations to tender will be extended to selected
contractors and the necessary tender documents and drawings
will be issued by The Chief Civil Engineer, British Railways
Scottish Region, Buchanan Building, 83 Port Dundas Road,
Glasgow G2 0EG stating when the tenders are to be returned.

The intention is that tendering should be restricted to firms
of proven capacity and experience who at the time will be
in a position to submit genuinely competitive tenders.
Contractors who because of other commitments or for any
other reason, do not apply to be considered for these works
will not in any way prejudice their eligibility for consideration
for future similar contracts.

COMPANY NOTICES

N.V. PHILIPS
GLOEIDAMPENBEEK
Netherlands
The Board of Management hereby gives
notice to the shareholders of the Company
that the 1977 Annual Meeting of the
Company will be held on Thursday, 20 April 1978,
at 2.30 p.m. at the "Palmer Julehuis"
Building, 3 Rochester Gardens, Edinburgh, EH3 5NF.
Shareholders of N.V. Gloeidampenbeek
who are entitled to attend the meeting and
to vote are requested to attend.

AGENDA
1. Opening of the Meeting
2. Report of the Board of Management for the financial year 1977
3. Report of the Auditors
4. Declaration of a dividend of 1.40 on cash dividends of 1.40 has already
been paid on 10.4.78
5. Appointment of the retirement of Mr. P. H. van der Meulen, Director of the Board of Management with effect from 30 June 1978.
6. Appointment of the Supervisory Board, to be held on 20 April 1978, three members to be elected by the shareholders. The Board of Management proposes Mr. P. H. van der Meulen, Mr. W. A. J. van der Meulen and Mr. W. A. J. van der Meulen. The Board of Management proposes Mr. P. H. van der Meulen, Mr. W. A. J. van der Meulen and Mr. W. A. J. van der Meulen. The Board of Management proposes Mr. P. H. van der Meulen, Mr. W. A. J. van der Meulen and Mr. W. A. J. van der Meulen.

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HOME NEWS

BSC hopes to recover market share in 1976-77

BY ROY HODSON

THE BRITISH Steel Corporation plans to capitalise on the expected period of rising demand in 1976 and 1977 to recover its former share of the home market as well as to increase its exports.

The corporation hopes to retain advances made so that it can sustain a high level of operation even in times of cyclical low demand. During the present recession the corporation has been operating at times at little more than half its theoretical production capacity.

The immediate future hopes of the BSC were outlined yesterday in a memorandum presented by Sir Monty Finniston, the BSC chairman, to the House of Commons Select Committee on Nationalised Industries sub-committee B which began an inquiry into the corporation. Sir Monty Finniston, Mr. R. W. Rosevear, the BSC secretary,

and other senior officials appeared before the committee.

The memorandum said the BSC needs to operate at 85 per cent of its capacity before it can begin to earn profits. This is because of its high fixed costs—amounting to 30 per cent of the total costs—the high rate of cost inflation, and the fall in steel price levels.

The corporation argues that such a cost structure is quite inappropriate for a cyclical industry subject to a wide variation in demand and price.

Improvement in the BSC's position requires early Government agreement to the remaining major investment projects in the BSC plan, together with cooperation between the unions and the corporation to improve productivity.

A chart in the memorandum shows that its productivity is less

than half as good as some of its major world competitors.

The corporation says a considerable effort is needed to increase steel sales and explains some steps it is taking towards that end. The stockpiling of semi-finished steel products with Government financial help is reckoned to be a useful aid towards its ability to meet rising demand for steel in 1977-78.

The reorganisation of the management structure has, it is claimed, adapted the BSC to becoming more suitable to the world trading market in which it now operates.

Thirdly, a powerful stockholding and distribution network is being established on an international scale. The effect is expected to sharpen the BSC's response to the market and improve its service to customers.

Imports of Comecon bulbs to be checked

By Arthur Smith

THE Department of Trade has agreed to monitor domestic light bulb imports following industry complaints that "dumping" by East European countries places hundreds of British jobs at risk.

The Lighting Industries Federation told Mr. Eric Deakin, Parliamentary Under-Secretary at the Department, yesterday that urgent action was essential to stop the alleged dumping of 30m. bulbs in the U.K. this year by Comecon countries.

The British industry, which includes companies such as Thorn, GEC, Philips and Crompton-Parkinson, maintains that imports on such a scale would place many jobs at risk. Mr. Deakin is said to have "listened sympathetically" to the industry's case.

According to the Federation, vehicle bulb imports from Comecon countries increased from 9.5m. in 1974 to 16.5m. last year and there is no sign of any slackening.

Of the £2.2m. worth of domestic light bulbs imported into Britain last year, the East European countries provided 56 per cent.

According to the Federation, employment on the manufacture of lamps and tubes in Britain has fallen by 2,500 over the last 30 months to around 17,000.

South American restrictions hit U.K. wool

By Our Industrial Staff

BRITAIN'S wool textile industry is to ask the Government to take up with a number of South American countries the question of excessive restrictions on the import of wool cloth into their markets.

The National Wool Textile Corporation in Bradford is concerned that total exports of British cloth to Central and South America have fallen by 60 per cent over the past ten years largely as a result of prohibitive import restrictions.

The industry claims there is now a duty of 205 per cent on U.K. cloth in Brazil and difficulty in getting licences. In Venezuela, the duty is 200 per cent, and total imports into two previously very important markets—Argentina and Uruguay—are now said to be insignificant. In Jamaica, British cloth imports have fallen from more than 100 metres in 1971-72 to only 173,000 metres last year.

Mr. Anthony Shingay, a member of the NWTPC who has recently returned from a visit to South America and the Caribbean, said that in some of the smaller markets in the area where import restrictions were not in force, British cloth was selling reasonably well. In other markets, where restrictions were being applied, local mills were not able to provide the quality and variety which the British trade could offer, with the result that consumers in these countries were getting only a limited choice of fabric.

STC to sack 460 in London, Scottish plants

By James McDonald

MORE than 400 employees of Standard Telephones and Cables in north London and in Scotland will be made redundant by the middle of this year.

STC, a member of the multinational International Telephone and Telegraph group, yesterday announced that it will be reducing its staff at its New Southgate plant that to 213 people by the end of July, out of some 4,000 employed there.

On Tuesday, STC announced the redundancy of a total of 200 workers at its Scot East Kilbride plant.

All the people affected are part of STC's electro-mechanical switching operation, which employs about 2,400 in the manufacture of older types of telephone exchange equipment. This type of work has been savaged by big cuts in Post Office orders for the last half of this year, were lower than expected, particularly by the Post Office.

STC added that the number of enforced redundancies would be reduced considerably by those employees opting for voluntary redundancy, or leaving for other reasons, before July. The company said last night that the unions involved had been notified of the decision before the statement to employees.

LAURENCE SCOTT AND ELECTRONICS, Norwich, has been ordered to supply pumps for the North West Water Authority. This latest order is for the nine main pumping motors for the Catterall treatment plant of the NWWA.

DOVITY BOUTON PAUL has also secured an initial \$55,000 order from Coopers Filters, Aberystwyth, for the necessary tools and manufacture of component parts and assemblies for air filter packs to be fitted to the engine air intakes of the Westland Lynx helicopter.

HENRY BOOT CONSTRUCTION, Sheffield, has a contract worth about £250,000 for the construction of a single-storey steel frame industrial building and ancillary offices at Heaton Norris, Stockport, for Gibbons Industrial Estates.

JOHN LAING CONSTRUCTION has also won a £270,000 contract to extend and alter Littlewoods store in Briggate, Leeds. It includes demolition of a corner building next to the store, which will be extended on all five floors, providing another 3,920 sq. ft. of space. Work has started and is due for completion next January.

QUADRANT COMPUTER SERVICES, Altrincham, has won a contract from the automation systems department of Ferranti for the development of two items of software for the Argus 700 series of computers. Both are being written in Coral 66. Quadrant's work covers development of the record handling package which will provide comprehensive file organisation and improved access

Second thoughts on motor industry by Think Tank

BY TERRY DODDsworth, MOTOR INDUSTRY CORRESPONDENT

ONE OF the central conclusions of the Think Tank report on the British car industry—that there are too many car manufacturers in the U.K.—was virtually abandoned yesterday by the team that prepared the document.

The report, published on the day that the Government announced its rescue scheme for Chrysler, was quite explicit about the organisation of the British car industry. "There are too many manufacturers with too many models, too many plants and too much capacity," it said.

But asked to defend this verdict yesterday at the Commons' Trade and Industry sub-committee

inquiry into the Chrysler rescue at present, and that it must be abandoned.

Asked whether in the light of this over-capacity problem, the rescue of Chrysler would not torpedo British Leyland's chances of survival, Sir Kenneth agreed that the rescue was "to a very small extent" at the expense of BL.

But he refused to select any one British company as the candidate for a capacity reduction. "This is a highly competitive market and the competition, as it were, will sort out how this change to smaller capacities occurs," he said.

On the specific question of Chrysler, Mr. Michael Mire, a special adviser to the CPBS, argued that its survival depended on its model policy.

Sir Kenneth agreed that, in fact, Chrysler U.K. appeared to be planning to produce a wide range of models at the moment rather than concentrating on selected niches in the market.

He argued that the real judgment on whether the company could become viable after 1980 would be its policy after 1980 when Government support would run out.

Integration, improved productivity and a smoother work-flow were the keys to viability. Chrysler's efforts to improve communications with the workforce were a step in the right direction, and showed its determination to succeed, he said.

Food industry urges metrication speed-up

FINANCIAL TIMES REPORTER

FOOD MANUFACTURERS and retailers both warned the Government yesterday that its decision to delay the Bill which would give it the power to speed up the change-over to metric measures would create more, not less, confusion among shoppers.

The Food Manufacturers' Federation said that if some legal provisions were not introduced quickly, the transition period would be "of indefinite duration." Metrication, it said, was so far advanced in British industry that it was not possible to put the clock back.

The Weights and Measures Bill, which would give the Government

the enabling power to gradually phase out imperial measures, was to have had its Second Reading two weeks ago. Faced with a possible revolt from its own benches and an amendment from the Conservatives, however, the Government decided to postpone the Second Reading until it had rallied enough support to ensure its passage.

The Retail Consortium, also warned yesterday of the consequences of further delay. The voluntary change-over to metrication, it said, had gone as far as it could go and it was essential that the Government should proceed as soon as possible with the Weights and Measures Bill.

Christie's records £6.5m. first quarter turnover

BY MICHAEL THOMPSON-NOEL

CHRISTIE'S, THE London art auction house, said last night that its U.K. turnover for the first three months of the year was £6.5m. compared with £5m. a year ago when the art market was emerging from its 1974 depression.

Turnover at Sotheby's is understood to have moved ahead proportionately although both art markets are still in the doldrums. The first quarter is traditionally the quietest.

Nothing in the Budget has depressed the art world and although English owners are still

apparently reluctant to sell, foreign owners have been sending increasingly valuable consignments for sale in London.

Christie's said last night: "The trend of higher, and indeed in many cases, record prices evident during the autumn has continued during the first quarter of 1976. The more favourable trend in the London art market cannot be put down purely to the weakness of the pound. Many of the most important works of art during the last three months have been bought by members of the British fine art trade."

Keep business planes at Heathrow, Gatwick plea

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONTINUING facilities for business aircraft at Heathrow and Gatwick are urged in a study on general aviation in South-East England, despite a desire by the British Airports Authority to keep those airports exclusively for commercial airlines.

General aviation is the term given to all aeronautical activities outside the operations of the commercial airlines and includes recreation (club) flying and business aviation.

The study, by a joint working party from the Standing Conference on London and South-East Regional Planning and the Civil Aviation Authority, concludes that total general aviation movements will rise from 1,56m. in 1973 to about 2,86m. by 1985.

Movements by aircraft used exclusively for business purposes will rise fastest of all, from 115,000 to 361,000, with air taxi rising from 42,000 to 132,000. Moreover, these business uses will be commercially the most important of all general aviation activities.

Accordingly, the study concludes that there will be a need to maintain some facilities for business aviation at both Heathrow and Gatwick, especially to enable businessmen to fly their own aircraft to "inter-line" with commercial services. This view is counter to that expressed by the British Airports Authority, which would like to see runway capacities at both airports in the long-term used exclusively for commercial

airline operations—although it has said that it would encourage the use of Standed for business flying purposes.

At the same time, however, the study suggests that the few other airfields most appropriate for business flying should be encouraged to build up that traffic. Those airfields include Leavesden, Northolt, Biggin Hill, Blackbushe, Shoreham and Southampton, and perhaps also Standed for some business jet movements.

Of these, Leavesden and Northolt could be given over to business aviation (although the latter is currently used by the RAF and is likely to continue in that role for some time to come), while the rest could also be used partially for recreational aviation.

The study concludes that there is no justification for creating new airfields in the region. "On our forecasts, there is no over-riding need. Moreover, local residents are unlikely to look favourably upon the creation of new airfields."

Similar constraints apply to the re-opening of disused airfields. Although such re-opening is not in general regarded as desirable, there may be certain circumstances where operational and environmental pressures at other airfields persist to an extent where reactivation of a disused airfield could bring considerable relief.

Airfields for General Aviation in South-East England, Standing Conference on London and South-East Regional Planning/Civil Aviation Authority, £3.

New energy sources vital, chemical conference told

A NEW industrial revolution is needed if the West is to earn a living in future, Dr. Arnold Robinson, president of the Chemical Society, told the annual chemical congress that without intensive research and development during the next few years the world would become a very unpleasant place to live in.

Without this any solution to the geopolitical problem, highlighted by the fact that the chief minerals reserves essential for Western technology were largely situated outside the industrialised countries, would be discovered too late to ensure the survival of mankind.

"We must find new energy sources and more efficient energy-saving industrial processes. I believe nothing short of another industrial revolution will enable this highly urbanised,

industrialised society of ours to earn a living in future," he said. "Britain was lucky to have North Sea oil with which she could buy 15 years of time, but that was a short time in which to look for more oil, build nuclear power stations and process coal to make it more suitable as basic material for the chemical industry when oil started to run out."

Huge capital investment, far greater than anything previously in the history of mankind, was needed, he added. This could be provided only by taxation.

"This may well leave the individual with relatively small amounts of money to spend as he wishes. I believe therefore that the standard of living must continue to decline until much necessary capital has been produced, and new technology has been devised and successfully operated."

Business failure up in 1st quart

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THERE was a rise in business failures in the U.K. during the first quarter of this year, according to a survey by the British Leyland's insurance company.

The number of failures increased quarter of this year's highest quarter—594 recorded in 1975—says it.

In March alone, 120 failures were notified, monthly figure. 1972, when 309 were received by the company, was the highest. All the main listed firms suffered in some degree in the first quarter of the exception relation to the last year.

There has been an increase in business failures in the U.K. during the first quarter of 1976 compared with 1975. The number of failures in the first quarter of 1976 was 594, compared with 594 in the first quarter of 1975.

Experience of the first quarter of 1976 was not too different from the first quarter of 1975. Bad debtors, failures, and a quarter of the first quarter of 1976 were notified, monthly figure. 1972, when 309 were received by the company, was the highest. All the main listed firms suffered in some degree in the first quarter of the exception relation to the last year.

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Malta and Yemen a recruit crews in Lor

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINE APPOINTMENTS, the London-based company which specialises in providing pilots and other crew-members for airlines world-wide, has recently won new contracts from Air Malta and Yemen Airways.

The significance of these deals lies in the fact that Airline Appointments, which hitherto has specialised in British and European personnel, has had to recruit pilots in the U.S. to meet the requirements of the airlines. Other countries' airlines are not so strict, and we have more than 200 engineers world-wide flying with all the world's airlines.

Mr. Don Willis, director of Airline Appointments, says: "To date we have recruited a total of 30 pilots for both Air Malta and Yemen Airways, and all of these are either flying with the airline, or are completing flying training."

"Time has been our greatest problem, since we had to find

U.K. ECONOMIC INDIC

1976

General	Unit	Mar.	Feb.	Jan.
Unemployed	'000s	1,284.9	1,304.4	1,330
Unfilled vacs.	'000s	100.9	100.9	100.9
Current revs.	£m.	8,300	7,604	6,700
Basic mtrix. d	1970=100	14,040	14,117	14,141
Basic mtrix. d	1970=100	273.2	263.4	261
Manfd. prods. d	1970=100	208.4	207.2	204

1975

General	Unit	Feb.	Jan.	Dec.
Terms of trade	1970=100	81.3	81.0	79
Retail prices	Jan. 74=100	143.6	143.6	144
Wage rates	July 72=100	283.9	286.7	192
Ret. sales va	1970=100	189.6	182.2	186
HP debt	£m.	2,296	2,299	2,32
Indust. output	1970=100	99.7	98.8	100

1976

Trade and industry	Unit	Feb.	Jan.	Feb.
Cars	'000s	134	97	11
Comm. vehicles	'000s	33.3	39.5	3
Imports f.o.b.	£m.	2,005	1,951	1,97
Exports f.o.b.	£m.	1,786	1,778	1,781
Visible trade balance	£m.	-0.249	-0.173	-0.21

1976

average)	'000 tonnes	450	392	42
Bricks*	millions	423	438	42
Cement (weekly average)*	'000 tonnes	282	257	27
		1976		1977
<hr/>				
TV staff	'000s	Jan. 177	Dec. 217	21

1976

gramst†	'000s	443	185	365
Man-made				
fibres*	m. kgs.	54.37	46.2	46.8
Houses				
completed† ...	'000s	23.9	28	2
Furniture†**	1970=100	160	149	154
Petroleum†	m. tonnes	7.4	7.73	6.7
Hosiery**	1970=100	92	79	9
			1975	

1975

		Dec.	Nov.	Jan
Elec. cookers f	'000s	67.7	91.8	78.8
Washing machns.	'000s	40.5	49.2	77.9
Raw cotton	'000 metric			
(weekly av.) ...	tonnes	1.70	2.33	2.08
Raw wools	m. kilos	9.3	9.7	9.2
Engrs. (orders				
on hand)**	1970=100	99	100	111.2

4th qtr. 3rd qtr. to date

Consumer spending	1970 values	8,790g	8,814	35,645
Motor trade turnover	1972=100	153	151	146.5
Yr.				
3rd qtr. 2nd qtr. to date				

1976

Bldg. and civil engineering	£m.	3,097.2	2,920	2,661
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* Production, † Deliveries, ‡ Net sales, § Consumption, || Adjusted. ** All manufacturing industries. †† Excluding

§ Deliveries. U.K. made and imported sets. § From

onwards new basis of calculation refers to advances in

and private sector. Historical figures on new basis d

Prices. † Including cooker griller toasters. ‡ Value

United Kingdom not seasonally adjusted. § First

estimate.

Tories launch two-prong assault on Government's pay and pension plans

Howe attacks Chancellor's 'surrender' to TUC

Elderly penalised by new rules, Jenkin claims

BY JOHN HUNT

How rail 'surrender' to TUC

THE Chancellor of the Exchequer, Mr. Denis Healey, had surrendered a large part of his duty and responsibility, in a manner fraught with danger, Sir Geoffrey Howe, shadow Chancellor, told the Commons yesterday.

Opening the second day of debate on the Budget, Sir Geoffrey said that Mr. Healey, having presided over the devaluation of the pound, was presiding over the devaluation of the Budget as well.

Sir Geoffrey added: "He has placed his high office, for the exercise of which he is responsible to the House, into the hands of a labour-only subcontractor."

This was an intolerable procedure, Sir Geoffrey said. Mr. Healey had failed seriously and fundamentally to match the needs of the occasion.

"Mr. Healey has not truly produced a Budget at all. He has come before the House with no more than an opening bid in the negotiations which are yet to continue."

Sir Geoffrey said: "Mr. Healey has made clear he is handing the working-out of the central part of the Budget package over to the TUC."

He said that the Government were not reaching on tax concessions. "The Chancellor has surrendered a large part of his duty and responsibility in a fashion we must regard as being fraught with danger."

Sir Geoffrey said he did not know how Mr. Healey had the nerve "unhitching to claim credit for reducing the 25 per cent. rate of VAT to 12 1/2 per cent."

He knew he should go back to a 10 per cent. rate across the board. He knew he was wrong three times over VAT, but he has not the courage to admit it.

Mr. Healey was almost alone in expecting the economic miracle to happen. He is dangerously wrong to proceed on the basis of these miraculous assumptions. He

island stays out on home rates

Anthony Crosland, Economic Secretary, would not be on Government talks on mortgage

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SIR GEOFFREY HOWE
"Fraught with danger."

The last Conservative Government had cut public spending. "We had the courage to do it, and sooner or later this Government will have to find the courage to do it."

The Government must discard some of its disastrous and unnecessary Socialist measures, such as the nationalisation of land, oil, aircraft and shipbuilding, the destruction of grammar schools at a cost of tens of millions of pounds, and the exclusion of private patients and private doctors from the National Health Service.

The spending cuts planned for 1976-80 should be brought forward, also the proposed reduction of subsidies. "If this Government is not prepared to start governing in the interests of a united nation it is high time they made way for a Government that will."

Mr. Jeremy Thorpe, Liberal leader, welcomed the Government's proposal saying: "I hope it succeeds and it deserves to be supported."

The Budget reflected the present balance of power in society and if agreement could be reached it could have an immense value to the country."

Mr. Thorpe thought the Budget was clearly a gamble to get agreement. "If it does not succeed, Parliament will have to introduce some very tough measures."

Even if the Chancellor is successful in using tax rebates to achieve a low pay norm, he will still need some form of clawback for those who breach the policy or do not accept it."

Dr. Alan Glynn (C, Windsor) said: "The Chancellor, by handing over responsibility to the unions, was laying the foundations for taking control of our affairs away from Parliament."

"We have put the car before the horse. We should be negotiating with the unions, not allowing our affairs to be dictated by them."

Mr. Peter Walker (C, Worcester) said it was not wrong for the Government to make an

approach of this sort to the trade unions. As a Minister in the previous Conservative Government, he had talked with the unions in order to come to an agreement with them.

But the Chancellor could not go on with a policy which had allowed an increase of 54 per cent. in earnings with only a 4 per cent. increase in production.

There could not be a continuation of this situation when very difficult and tough judgments had to be made.

Mr. Stanley Thorne (Lab, Preston S.) said the 3 per cent. proposal "will further reduce the purchasing power of workers and their families."

He described the proposal as a "con trick" which would be treated sceptically by the unions.

Mr. Nicholas Ridley, winding up for the Opposition, said Mr. Healey should have made the VAT rate 10 per cent. instead of two complicated rates, which produced less revenue and meant that more civil servants were needed.

One of the worst aspects of "conditional tax relief," apart from the constitutional propriety, was that we did not know our tax rates for the coming year. It was quite wrong that

Mr. Robert Sheldon, Financial Secretary, was questioned by Conservatives about workers not represented on the TUC.

He replied: "Although there are others who determine their pay increases, the main determinant for pay increases in this country now, in the past, and almost certainly in the future, is going to be the general policy as agreed by the bulk of trade union leaders."

Mr. Sheldon said the Chancellor had given firms relief from corporation tax provided that profits were reinvested, whether in capital, plant or machinery.

ANGRY CONSERVATIVES yesterday accused Mrs. Barbara Castle, Social Services Secretary, of penalising old-age pensioners by changing the basis of calculation for the annual pension increases which come into effect in November.

But Mrs. Castle, who was filling in the detailed figures for the increase in benefits and pensions announced by the Chancellor in his Budget denied the charges.

"The 1976 uprating will do more than maintain an advance. It will raise the real value of pensions to a new peak," she declared.

Mrs. Castle told MPs that the increases in pensions and benefits would not be based on the rise in prices between March last year and March this year—a period of rapidly rising inflation.

Instead, they would be calculated on a projected figure for price rises from November last year to November next—a period when the rate of inflation has slowed down.

This departure from usual practice infuriated the Tories who claimed that the Government was suddenly changing the rules in the middle of the game and thus denying the pensioners the money to which they were entitled in keeping pace with inflation.

Their protests found an echo on the Government benches with some Labour MPs expressing considerable disquiet at the situation.

Mr. Patrick Jenkin, Conservative spokesman on social services, said that the levels were being fixed by reference to an assessment of future inflation rather than past inflation. As a result, Mrs. Castle had eliminated any protection for pensioners and others against the peak months of inflation between March and November last year.

"It is this what the House and the country understood by your pledge to keep the uprating in line with prices or earnings," he demanded.

This harsh choice had been forced on the Government by the appalling level of inflation and the huge borrowing requirement which the Chancellor had announced on Tuesday.

It would have been more honest if the Chancellor, instead of pretending that he was conferring a benefit by giving a 15 per cent. increase, had admitted that it would have been 22 per cent. if it had been in line with the past levels of inflation.

"All this more than offsets any reduction in taxes even if the TUC agrees with the tax relief which was given in the Budget," he declared.

Many people would find it incredible that the Government was increasing short-term benefits which were not taxable, more than long-term benefits, which were taxable.

War widows would get a smaller percentage increase than the unemployed. The 16 per cent. uprating of short-term benefits would widen the gap between the net income of the employed and the unemployed—the detriment of the man who was at work.

On the contribution side, there was a substantial increase in the upper limit for the self-employed with no additional benefit.

Mrs. Castle told him that the TUC had welcomed the increases as very substantial and a fulfilment of the Government's policies.

"I totally repudiate that we have in any way gone back on our manifesto policies," she said.

But the Minister conceded that if the Government had stuck to the historical system of uprating it would have meant an additional burden in contributions from the workforce who would have had to pay an extra £500m. for this uprating alone.

Mrs. Castle said that in February the pension rates introduced in the last uprating were still worth 10.7 per cent. more in real terms for a single person and 9.4 per cent. more for a married couple than in October 1973 under the Conservatives.

By next November, a margin of that real improvement will remain. The increase of 15 per cent. will come at a time when inflation is being brought under control," she declared.

Mr. George Cunningham (Lab., Islington S. and Finsbury) asked whether if the Government's estimate of inflation turned out to be wrong, it would then make up the difference to the pensioners the following year. He said there would be concern in many parts of the House that the pensioners were not getting the benefits to cover them for the period of high inflation last year.

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Three per cent. is maximum—Dell

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE CHANCELLOR'S proposed 3 per cent. limit for wage increases in the first round of pay settlements is the maximum—and not the average—that can be conceded, if the Government's inflation target is to be achieved.

Mr. Edmund Dell, Paymaster General, put special emphasis on the re-employment of Mr. Healey's Budget proposals that the new low pay limit should be "in the area of 3 per cent."

There had been a certain amount of misunderstanding of what the Chancellor had said, Mr. Dell told the Commons when the Budget debate was resumed yesterday.

In stressing the need for 3 per cent. pay increases to be the maximum from the end of next July, Mr. Dell insisted that the Chancellor was not seeking to dictate how much of the increase should be by percentage and how much by flat rate.

But suggestions for a 7 1/2 per cent. level of increase, or 25 per cent. level of increase, would not achieve the TUC's own objective of a reduction in the inflation rate of well below 10 per cent., declared the Minister.

Allowing for the "overhang" from earlier wage settlements, the existing 15 per cent. limit was expected to produce effective increases in earnings of something like 13 per cent. by the end of this year.

This was for quite legitimate reasons, such as the operation of overtime movements from job to job and equal pay for women. In the same way, similar outside influences would also affect the outcome of the 3 per cent. limit at the end of 1977, Mr. Dell pointed out.

But the 3 per cent. limit could lead to higher exports, higher investment and enable the economy to take off for faster growth, and "this is the way to get unemployment down," Mr. Dell told Labour backbenchers who stressed this as one of their main anxieties.

The new Jubilee Bond will offer interest at 8 1/2 per cent. a year with a tax free terminal bonus of 4 per cent. at the end of five years.

The issue will replace the current British Savings Bonds which offers interest at 8 1/2 per cent. a year, said Mr. Dell.

Overall return of the new issue was equivalent to 9.57 per cent. grossed up at the basic rate, and as before, units would cost £5 and the maximum holding would be £10,000.

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Peer warns on Britain's bleak future without skilled workers

Countess of Mar said she felt the turning point of the economic recession would come when people as individuals began to pull together. At least one quarter of the men and women unemployed were suitable for retraining.

Lord Rainsbury (Lab.) said several million people would have to change their jobs in the next decade. "For too long the worker has been led to expect that he has a lifetime to work in a particular firm, industry or area."

Lord Rainsbury said that the Government should encourage the worker to move into a new community or industry.

Lord Eversley said he regretted that so many young people rushed into the study of psychology, political science, and the so-called social sciences.

He added: "These are subjects which have no material end product and only require a modicum of memory to pass the examinations."

It was only the thrill of acquiring technical prowess which would replace these trends. It was the adventurous nature of new enterprises which would convert youth to travel the rough road of technology from which we hope to achieve material abundance."

Lord Mottershead (C), chief executive of the Distributive Industries Training Board, said that the more senior somebody was, the more important it was that he should be trained.

He said: "It is only when a chief executive of an enterprise wants to be trained himself that you know you are on the way to having the right attitude to training in that enterprise."

Lord Davies of Leek (Lab) referred to the influence of television on training facilities as far as young people were concerned. He said "the trivial-

isation of life is due to the saturation of life by television."

Baroness Sear (L.) said: "Nobody in their senses, if they were starting from scratch, would have the kind of distribution of manpower and resources that we have in this country."

Lord Jacques, Government employment spokesman said there were depressed areas with huge populations where many young people desired certain training but could not get it unless they left home almost immediately after leaving school.

That was a problem which had to be tackled in centres like Newcastle and Liverpool.

Lord Jacques said discussions were going on between the Manpower Services Commission and the Government on vocational training for young people and progress could be expected relatively soon.

The training opportunities scheme had seen a spectacular increase from 15,500 trainees in 1971 to 81,000 in 1975, a figure which was expected to rise to 80,000 in 1976. The short term target was still 100,000.

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GENERAL APPOINTMENTS (CONTINUED ON PAGES 32 & 33)

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A leading firm of London stockbrokers is looking for a senior investment analyst to cover life insurance, composite insurance and insurance broking companies. Applicants should have a sound general experience gained either through training and qualification within one of the major companies in this area or through several years' work as an established investment analyst in this field. The successful applicant will be looking for a position within the City from which to make a major individual contribution to the analysis, understanding and appreciation of insurance shares within financial markets and will not be satisfied merely with the maintenance of existing City standards. Contemplated remuneration will reflect the worth of the successful applicant, as also will the prospects for further progress within the firm. If you believe that given the right environment and adequate resources, your future lies in leading this area of analysis, please send detailed curriculum vitae quoting ref. 811/ET.

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Advertising and...

CONFERENCE '76

Selling by meeting

IF ALL an ad agency offers its clients is advertising and marketing services it is leaving out an essential part of the proper range of services, says Brian Robinson, who is a senior associate director and head of presentation at J. Walter Thompson. "It is simply not enough to motivate the consumer to buy; an agency should also be involved in helping the client to sell his product into his sales force. Without that it will never reach the consumer."

And Mase McKinney, manager of the conferences and special events unit at McCann, reckons that a conference well done is the only way of getting together prime customers at the highest level in an atmosphere you can construct yourself to achieve the maximum impact and receptivity. Robinson and McKinney are both taking part, along with David Ogilvy, David Frost, and other experts in communication, in Conference '76 — a highly ambitious, exercise in group communications that is being held over four days at Grosvenor House and the New London Theatre from April 23. It is an event intended to establish the meeting as a marketing tool to rank alongside advertising and sales promotion.

The scale of the event can be judged from the fact that its organisers, Conference Spectrum, hope to attract 800 delegates at £175 per head, of £45.00 for a single day, and the original cost of the company presentation case studies which are to be repeated for the benefit of delegates, was in excess of £1m. The British Tourist Authority, which is backing it with £147,000, sees it as an opportunity to boost the U.K. meetings industry — already expected to pull in around £251m. this year.

Nevertheless, the event is regarded by some as a gamble in today's economic circumstances when many firms will regard conferences as just as expensive as a jolly. But, paradoxically, the meetings industry has done comparatively well during the current recession, because in times of trouble there is a need to meet more often to sort out difficulties. What's more, the fall in the value of the pound has made the U.K. a comparatively cheap venue.

The BTA has already received over 30 bookings and its marketing appeal is reflected by the fact that one major U.K. food company is sending its managing director, marketing director and field sales manager, and one agency has top clients going. The aim of the conference will not be to tell delegates how to run a conference, but to show that the need for group communication starts from the part-

economic situation, and that is why it is being introduced by Lord Armstrong, chairman of the Midland Bank. And Larry Wilson, who is currently training all Barclay's staff who are in contact with the public, will show that with time a lessening commodity, group communication is essential.

David Ogilvy and major users of conferences as marketing tools, such as Ford, Rowntree Mackintosh and Kellogg, will demonstrate their value in the corporate area. Interestingly, the



David Frost

last two are both JWT agency clients, but Rowntree's prefers not to use the agency's conference service and will be explaining why in the same session as Kellogg explains why it does use the service.

There will be an opportunity to see all the latest techniques for grabbing and holding attention — which is very important because, as Robinson says: "If you're taking your sales force off the road for a day, or bringing in all your dealers, you have to get a lot across to justify it. And sitting them behind green, balustraded tables and talking at them won't do it. But with some of the modern audio-visual techniques, such as multi-screen pictures and quadraphonic sound, you can do it."

Conference '76, which was held in Montreux, was acknowledged to be an administrative shambles, but a creative masterpiece. It was, say its organisers, "an audio-visual extravaganza. Conference '76 will be much more a management learning exercise in which audio-visual will play an important but not dominant communication starts from the part-

Friedlander again

ROY FRIEDLANDER, who in 1961 helped to start agency Mankley and Friedlander, is launching another new agency, Mankley and Partners. His first enterprise, which specialised in marketing new products, was bought out by MacLaren in 1971. This time the big agency involvement is there from the start since Benton and Bowles is a minority shareholder and will supply the media servicing.

The new agency has a creative staff and intends to keep overheads low by operating from a few offices and using a few experienced staff. Back-up services like research, sales promotion and PR will be bought, if needed, on the open market. The initial five clients, three of whom are on a fee basis, are American Express Travel Division, Dun and Bradstreet, Benn Bros., Guild of Chianti Classic Wine Growers and Bio Products (Prova P.H.).

THE latest crop of new business gains for Satchel-Compton include Ziebart Rust Proofing Centres, which spends around £170,000 on advertising; Air New Zealand, a U.K. and Europe account to be handled on a fee basis; Diamond Paint, which has not advertised for four years but plans to spend £350,000; and Danning, leaders in the women's rainwear market.

ACB has added jeans and trousers to its list of markets. Its first survey shows that a fifth of the 8,000 individuals in the sample bought

some legwear in February. Jeans accounted for 30 per cent of sales. Wrangler and Brumby accounted for 23 per cent. The total estimated at £330,000, accounting for trousers and jeans.

GEERS Gross, quoted yesterday, announced profits and turnover were up from £154,000 to £158,591. Chairman says that profits for the first quarter running at double the rate of last year.

THE Kerrygold brand of butter and short life dairy products, as yoghurt, cream and cheese, is being extended to the Irish market. The Kerrygold brand is being launched in the U.S. market. The U.S. market is being sold in a supermarket outlet. This has given it a

boost. HADDONS-WPI appointed to handling for Burt's Summer Rose Teapies in the De

Marx group, while toy company, while shows that a fifth of the 8,000 individuals in the sample bought

A £1m. boost for

IF ALL goes according to plan the Tea Council will re-emerge as a major advertiser in the Autumn selling tea hard with the support of £1m. plus budget. This follows a successful test in Tyne Tees last year which not only succeeded in its main aim of improving attitudes towards tea but also boosted consumption from 4.74 cups of tea a day per head to 5.05. At the same time the national average stuck at 4.77.

Tea has had a chequered career as a generally advertised product. The Tea Council was set up in 1955 with the backing of the major packers, such as Brooke Bond with around 40 per cent of sales, and the producing countries, headed by India. Initially the budget was £650,000 a year, and the campaign succeeded in halting the decline in tea consumption, which had gone down from 10 lbs per head a year in 1958 to 8.5 lb by 1964. But then packers, such as Sri Lanka, withdrew their support and the advertising stopped in the early 1970's to be replaced by a much smaller As a result consumption again, to 7.63 lbs at the end of last year. It was the slump encouraged the tea again and Michael pared the advertising for the now destined for a age, if the tea pot is to be forthcoming this month. The aimed at young dr statistics show that taking to coffee r. and once addicte to kick the competi Tea believes it and growing ad coffee-price. Its price of tea on the has moved from 13.5m. above the 1 this below has fa the market—or t shift brand share

IS IT TIME YOUR PRODUCT WORKED WEEKENDS?

SOME OF
THE FOREIGN
WORDS
WE BRITISH
HAVE LEARNED
SINCE THE
SWINGING 60's

BRAUN
DATSUN
HEINEKEN
HITACHI
TIC TAC
HUBBIS

1967:
92%
OF BRITISH
MOTORISTS
DRIVE A
BRITISH CAR
THAT'LL
TEACH US TO
REST ON OUR
STATISTICS

1959: BRITISH
PUB OPENS
IN BRUSSELS
1975: HEINEKEN
REFRESHES 13%
OF BRITISH
CANNED BEER
DRINKERS

1976: END OF
BRITISH
MARKETING'S
BELIEF IN
DIVINE RIGHT

1968:
TEA BAGS
4% OF BRITISH
TEA MARKET
1975: TEA BAGS
34% OF THE
MARKET

WHERE DO
WE LEARN
SUCH FUNNY
FOREIGN
HABITS?

WHERE ARE
THE GOLDEN
DISCS OF
YESTERYEAR
ON TELEVISIO
AND BACK
IN THE
CHARTS

Over the past six weeks we have spotlighted five case histories of British business. Some were of smug self-satisfaction rudely upset. Others of surprising success. All are of now — a period of recession.

Even now products can succeed, especially if they are aggressively marketed. Especially if they are sold on the most impactful medium of all. Especially now.

Now is the time to act. Now, while everyone else is licking their wounds. Now, when television is — in real terms — cheaper than ever before. Now, when you can steal a lead on the competition.

It will mean abandoning regret for the past and fear of the future, naturally. It may even mean a special effort at the weekends.

That's when we work.

It could be time
your product worked weekends.

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The Marketing Scene

The Budget has done nothing to disturb the more relaxed attitudes of advertising agencies about their prospects in 1976

At last, real profits for agencies

BY ANTONY THORNCROFT

That survived the its famed insonu- is something of ent for in the last half years the agencies have their cost, just as fortunes are linked economic trends, always the case to with many com- her amateurish ad- advertising expend- ation to their past planned sales, but advertising has casually of the and uncertainty t British business, especially makers of oods, who are the ritters' true or cut vertising budgets did not know what happen in the next and did not want to ey into a void.

pressures

n they experienced pressures on their als, transportation, and saw the budget as an easy ch to make savings, sidered by the few companies, like others, that have he matter, that a r's greatest asset, its a survive, without for over a year purchasers start to ee. The consequence no manufacturer mong the top ten of 1975. The headed the list, nine retail chains, two very good years 1973 (in which the before tax of IPA, bo account, for and 90 per cent. of passing through U.K. reached a record, a gross income of advertising agencies to underpin the business, espec- an awful time, with ally retailer advertisers, are and income falling, continuing to spend.

The easiest way to sum up the crisis, and the agencies' reactions, is that agency staff fell from 15,500 in 1973 to 13,300 by last September, and even fewer now: that average net profit last year was 1.5 per cent, before tax as against 2.4 per cent in 1973, and that bad debts, which agencies have to meet, jumped from £634,000 to getting on for £1.5m.

Not only is the income side better, especially for those agencies that have been switching to a fee element in their payment: the two tough years have forced agencies to become better run. The main aspect has been the shedding of surplus staff, often by getting rid of whole service departments, and since the payroll is over a half of an agency's costs the economies here mean that over-

is pretty typical. Director Jack Rubin reports that revenue in the first half of the year should be 16 per cent above last year's levels. On the other hand thanks to shrinking from around 200 to 180 staff in the past two years Dorlands payroll bill is only 6 per cent higher. The agency great success story among British owned agencies, is noticing that the new type of advertisers, like retailers and TV promotion companies, are matching packaged foods advertisers in importance. Fine Fare is now its second largest client and new account, CMI, is looking towards CDP to help it sell compilation albums through direct marketing.

CDP's great rival in success Saatchi and Saatchi, which since merging with Comptons has formed the most profitable agency, in terms of cash, in the U.K., is even more successful. Saatchi-Compton billed £30m. last year and has added over £3m. already in 1976. Remarkably it has lost a few senior staff but only one major account, Worthington, following the merger, and expects to top its £800,000 profit of 1975.

The secret of the Saatchi success in financial controls. Every account is expected to make a profit on a cost plus basis, and many clients pay the agency in advance. The only difficulty facing the enlarged agency is the inevitable one of property. When it can sell one of its two office blocks it will move into the other, and a buyer is now nibbling.

But it is not only agencies that have been forced to face financial realities in the past two and a half years. Companies are also controlling their advertising expenditure more carefully. At one level this has led to a rise in the number of big spending advertisers who try and do deals with agencies over commission, playing one off against the others or threatening to go to independent media buyers, or to deal direct with media at a more respectable level it involves more regular conversations with the agencies over advertising plans, and stricter inter-agency comparisons on media buying per-

formance. But Rubin, along with Jim O'Connor, director of the IPA, and John Treasure of J. Walter Thompson is happier about 1976 than the longer term. They all link the prospects for advertising with the prospects for the British economy. Treasure sees this as a year of lesser pressures in which to gird up the loins for the future. His agency, the largest, added £4.5m. in new business last year to give it a TV and Press total, according to MEAL, of £38.5m. This will enable it to increase revenue faster than costs, even though JWT, like all agencies, is facing stiff rent reviews. JWT is still considering whether to move out of Berkeley Square altogether and take up residence in a new office block it has an option on in the Cromwell Road. But if rents are still as high as they are, JWT expects to be "a bit up" this year. Ted Bates has kept its rent bill reasonable by coming down from four floors to three and subletting the spare space. Managing director Michael English expects a 15 per cent increase in billings in 1976. "In previous years clients kept marketing costs down but now they realise that the only thing they own are their brands."

The willingness of advertisers to spend is also helping CDP, which expects to be 15 per cent higher in billings this year at almost £24m. Managing director Frank Lowe says "clients are now coming to terms with the economic situation and are more relaxed." But even CDP, the great success story among British owned agencies, is noticing that the new type of advertisers, like retailers and TV promotion companies, are matching packaged foods advertisers in importance. Fine Fare is now its second largest client and new account, CMI, is looking towards CDP to help it sell compilation albums through direct marketing.

Staff shedding

Leo Burnett has entered into more intimate contacts with clients to monitor expenditure and to advertising effectiveness more accurately. This agency carried out the most dramatic staff shedding last year, cutting out its research and other services, to concentrate on creative and media help. As a result its costs this year are only 10 per cent higher, while its major consumer goods clients, who froze budgets in 1974-75, are now committing cash further ahead.

Rent bill

OBM, which has leases falling in this year, is staying put but planning to occupy less space. This is practicable because its staff now is 406 as against 480 two years ago. OBM did well in 1975, adding £2m. to turnover helped by new accounts like Ford and British Airways, and director Tubby Pitcher expects to be "a bit up" this year. Ted Bates has kept its rent bill reasonable by coming down from four floors to three and subletting the spare space. Managing director Michael English expects a 15 per cent increase in billings in 1976. "In previous years clients kept marketing costs down but now they realise that the only thing they own are their brands."

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Creativity in the doldrums

BY ANTONY THORNCROFT



Three of the winners—John Cleese radio commercial for Sony, Parker Pens; and dread COI warnings.

IT IS usually maligned toast of the Creative Circle to their fellow creative colleagues are the most cherished in the business. Given the lack of enterprise shown by judges in the other award ceremonies (this spring the Creative Circle did not need to show much imagination this week to encourage new talent. But in the event it was the same old winners.

Since the Government, through the COI, is the biggest advertiser in the country (now although its planned expenditure of around £16m. this year may be reduced by the expenditure cuts), it is not surprising that it should now be winning awards. Of the seven commendations, all of equal merit, the COI won three. — for a commercial for fire prevention, "Searching," the work of Browne's Advertising;

for the Young and Rubicam commercials on "the two second zone" to encourage a safer drive; and agency J. Walter Thompson received their usual credit for the "Menu" poster advertisement; Golden Wonder also picked up another award for its crisps campaign, the work of Masling and production company Wyatt, Cattaneo; and CDP's advertising for Parker Pens continued to gather favour, with the "Finishing School" commercial featuring actress Penelope Keith.

Perhaps the only surprise was the award to KHP for its Tesco stores "Home 'n' Wear" campaign. This, too, underlined the changing balance of the advertising world with retailers picking an immediate revival.

up the expenditure lead from packaged goods manufacturers. There is another award, the president's, and Mike Isaacson broke new ground by giving it to the Sony radio commercials prepared by BBDO and featuring John Cleese.

The lack of brilliance in this year's advertising awards, and not only from the Creative Circle, partly reflects a move to assess advertisements by their effectiveness rather than their appeal; partly underlines the fact that some agencies resolutely refuse to enter for awards; partly follows the tighter controls on advertising claims; and partly suggests that the decline in importance and job opportunities in the agencies has restricted the recruitment of creative talent in the last decade. Whatever the reasons there are few signs of an immediate revival.

Public complaints on target

THE PUBLIC is improving its sights when it comes to spotting advertisements in newspapers and posters that have erred. This week the Advertising Standards Association announced the details of the 280 cases it has looked into during January and February. As usual a substantial slice, 98 in all, refer to mail order catalogues and are thus unconnected with advertising copy claims. But of the 182 cases referring to copy, 110 complaints were upheld.

This is a much higher percentage of defaulters than in the past, even though the number of complaints has hardly increased. As usual it tends to be the minor advertisers, placing advertise-

ments direct, or through small agencies, that attract the most criticism. A few of the larger agencies were, however, admonished. OBM should not have described the Gillette Papermate pen and pencil as "brushed gold," and Davidson Pearce was pulled up for an advertisement for Eye Dew from Optex which showed a young girl coming home very late under the slogan "Your mother will never know."

The sexual connotation was regarded as wrong because the advertisement appeared in teenage magazines. Among other leading agencies that ran foul of the ASA were Greys in a Nestlé Milky Bar

advertisement which stated that the bar is the one that "kisses you happily out their sweet tooth on"; KMP, and Post Office Telecommunications, which used the slogan "International Direct Dialling. The world at your finger-tips"—when many countries are unavailable; and JWT for suggesting that Schreiber would replace faulty furniture quickly—the complainant had waited nine months. But in the main it is the small local advertisers who cause most problems, and fanatics, who know all about cars and hi-fi equipment, or unlucky participants in promotional competitions, who make the most objections to the ASA.

IS YOUR PRODUCT LOOK THE SAME AS THE OTHERS?

Perfection in many markets is bringing about an apparent sameness in product appearance performance. That leaves the package with a major opportunity to provide a clear identity.

OUR PACKAGE DESIGN DOING ITS JOB?

SIEBERT/HEAD LTD

EUROPE'S LEADING SPECIALISTS IN PACKAGE DESIGN.

In file of East German, including free case histories, write to: Siebert/Head Ltd, 197 Regent St, London, W1 at Tel: 01-734 4336/9.

INCENTIVE MARKETING AND SALES PROMOTION EXHIBITION 1976
Metropole Brighton 25-28 April

The Key... to

Sales Promotion Dealer Incentives Staff Motivation

Send for further details and complimentary tickets to: IME 76, PO Box 108, Croydon CR9 1QH. Tel: 01-885 7788 Telex: 946685

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6 3/4% Sinking Fund Debentures due November 1, 1988

CE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, is to be paid for redemption on May 1, 1976 at the principal amount thereof \$329,000 principal of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH

252	1241	2301	4169	5769	7296	8627	11223	12108	13874	14678	17732	19416	19916	19492
41	1351	191	4174	5892	7457	8829	11289	12039	13854	14678	17732	19416	19916	19492
107	1357	2164	4299	5872	7245	8951	11353	12530	13844	14897	17876	19476	19908	19530
46	1478	2180	4372	6171	7689	9144	11414	12624	13933	14944	17944	19544	19911	19640
107	1482	2196	4404	6026	7728	9095	11496	12621	13901	15068	17907	19512	19122	19658
101	1483	2206	4436	6171	7689	9144	11414	12624	13933	14944	17944	19544	19911	19640
102	1511	2254	4463	6174	7683	9102	11417	12623	13966	15139	18015	19544	19911	19640
107	1522	2314	4496	6318	7937	9218	11510	12726	14088	15246	18029	19544	19911	19640
106	1584	2403	4565	6466	8084	9344	11603	12834	14203	15361	18042	19544	19911	19640
127	1623	2524	4683	6701	8401	9623	11703	12933	14301	15461	18042	19544	19911	19640
129	1624	2551	4708	6746	8451	9641	11787	12955	14408	15568	18165	19706	19911	19640
47	1657	2582	4735	6791	8496	9678	11871	13054	14507	15667	18264	19805	19911	19640
110	1667	2611	4810	6863	8554	9733	11929	13116	14575	15735	18363	19911	19912	
65	2003	3677	5119	6847	8378	10078	12899	13295	14529	15763	18363	19911	19912	
48	2020	3715	5185	6902	8404	10085	12927	13303	14557	15791	18363	19911	19912	
109	2056	3823	5374	6925	8480	10077	12926	13302	14556	15790	18363	19911	19912	
108	2123	3969	5505	6933	8399	11037	12964	13345	14572	15828	18363	19911	19912	
107	2126	3994	5530	7019	8499	11029	12960	13340	14573	15827	18363	19911	19912	
108	2207	4049	5609	7168	8718	11156	13115	13519	14703	15937	18373	19911	19912	
109	2201	4102	5659	7206	8746	11169	13157	13543	14716	15952	18377	19911	19912	

On May 1, 1976, there will become due and payable upon each Debenture the principal hereof, in such coin or currency of the United States of America as on said date is legal tender therefor in public and private debts, at the option of the holder, either (a) at the corporate office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10005, or (b) subject to any laws and regulations applicable thereto with respect to the currency of any other country, at the principal office of Ente Nazionale Idrocarburi or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Frankfurt or the main office of Allgemeine Bank Nederland N.V. in Amsterdam or the main office of S.A. Luxembourg in Luxembourg.

ENTE NAZIONALE IDROCARBURI
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, Fiscal Agent

NOW'S THE TIME TO GET OUT ON THE STREETS AND SELL.

Every day for a month Full colour National.
Over 90% coverage £39900 Ring British Posters
on 01-629 8414.

BRITISH POSTERS.

Is it time your product worked weekends?

See opposite page

When you have something really important to say, try our little corner of Hyde Park.

At the Inn on the Park we promise you an audience not so much captive as captivated. It has to do with the care, skill and experience we bring to any business gathering held at what is undoubtedly London's loveliest hotel.

This, together with our superlative cuisine and that special atmosphere unique to our little corner of Hyde Park, combine to make any client or conference or A.G.M. that much more receptive to whatever it is you wish to sell, communicate or discuss.

In common with ordinary first class hotels, we can offer you the usual array of audio-visual aids. To these add such sophisticated instruments of persuasion as the Four Seasons Room, unquestionably one of Europe's finest restaurants, and the Vintage Room,

dinner and dance with a difference. They are all part of what makes business at the Inn on the Park such a pleasurable and successful experience.

Of course it's terribly unfair on all those ordinary hotels. But it's an unfair advantage we pass on to you.

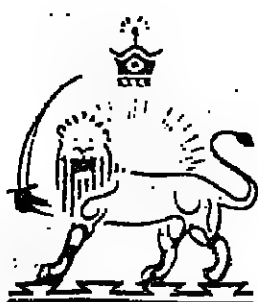
To The Conference Manager,
Inn on the Park, Hamilton Place, Park Lane, London, W1A 1AZ.
Telephone: 01-499 0888.
Please send me further details of Conference and Banqueting facilities at the Inn on the Park.

Name _____ Title _____
Company _____
Address _____

CA/FT/8/4

Inn on the Park

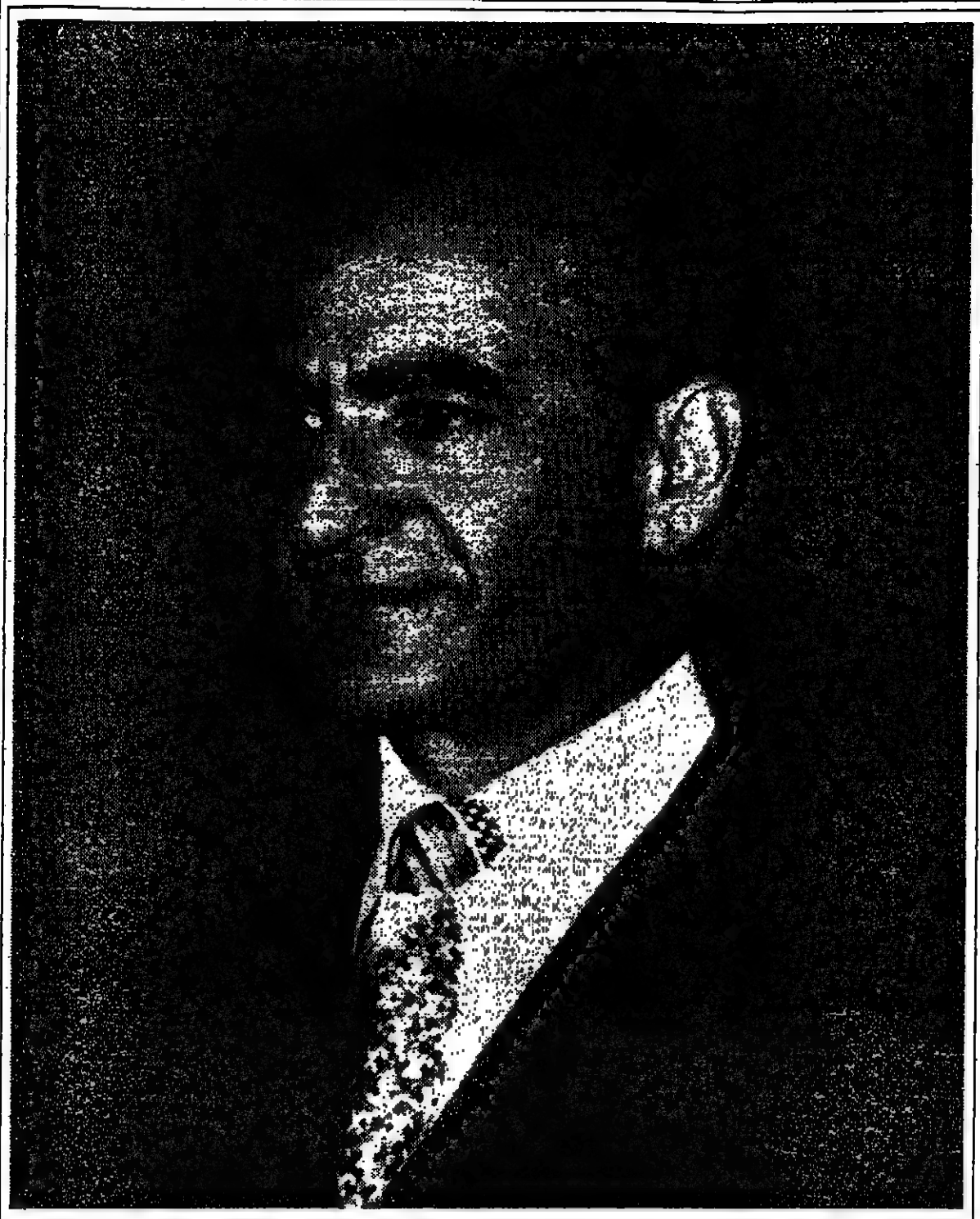
This material has been supplied by
The Ministry of Information and
Tourism, Government of Iran.



Iran



H.I.M. Farah Pahlavi, Shahbanu of Iran



H.I.M. Mohammad Reza Pahlavi Aryamehr Shahanshah of Iran

Iranian Contribution to Islam

Iran embraced Islam in 622 A.H. It gained instant popularity with the Iranian elite as well as the masses. Iranians were the people who believed in the Unity of God, even during the times of Zoroaster. In Islam, they saw a religion which had provisions for equality and social justice. So they embraced it in all sincerity.

But the acceptance of Islam, as such, did not mean that they were reconciled to the ideas of others dominating over them. Even as Muslims, they took preventive measures to keep their culture and civilisation intact.

Unique Galaxy

Persons like Abu Muslim Khurasani, Babak Khurram Din, Ibn-e-Muqaffa, Be Afrid and Sandbad were the standard-bearers of the Iranian identity. Yaqub Saifari and Buyeh brothers, to mention a few, played a significant role in retaining the peculiar characteristics of Iranian culture. Barmakis and Suhails were high in the Arab hierarchy.

They made intellectual headway over there and, thanks to their wit and wisdom, the Iranian culture took root in the ruling circles. This exerted far-reaching impact on the Arab body politic.

The Arabs conceded autonomy to Iranians in international matters. That is why Sassanid coins were quite current in Iran and Iraq during the days of Abdul Malik the 5th Umayyid Caliph. Also, for all practical purposes, Pehlevi—the pre-Islamic lingua franca of Iranians—was the official language in the said region. But then Abdul Malik ordered that Arabic be made the official language and seeing their language on the verge of extinction, the Iranians rendered the best of it into Arabic. It was indeed a master stroke of diplomacy on their part.

Iranians did not lag behind even in the sphere of religion. They were ardent Muslims. That Iran produced some of the greatest protagonists of Islam, Imam Abu Hanifa, the legendary Sunni Scholar being one of them, in itself is a proof of Iranian loyalty to Islam, although it originated in Arabia. Mohammad Bin Yaqub Kalimi and Razi of Varamin also belonged to the soil of Persia.

Mohammad Bin Jarir Tabri, who has no parallel as an interpreter of Quran, is yet another name in this long list.

This is not all about the influence of Iranian civilisation on Islam. There are hundreds of thousands of other Iranian scholars who rendered great services to the cause of Islam and the world of knowledge.

Islam is a progressive religion that encourages intellectual activities. This spirit being the guiding force, the Muslims in no time became the torch-bearers of knowledge. They extracted the best of all the civilisations—the Greek, the Hindu, the Chinese, the Persian, etc.—and gave rise to one of their own.

In the third century B.C. Sassanid, ruler Shapur, had a cantonment built for the Roman prisoners of war as *Hoaz* by the name of 'Urdu'. Urdu, later on, came to develop into the metropolis of Neshapur, which for centuries to come, did serve as a great centre of learning (like Alexandria in Egypt). Neshapur catered to the intellectual needs of the Islamic world during the Abbasid rule. The Iranian scholars imparted knowledge in Logic, Astrology, Mathematics and Medicine and were known as teachers *par excellence*.

The word 'scholar' connoted, in those days, a person well versed in one field or the other, like Poetry, Literature, Medicine, Astrology, Logic etc. A man with this title, used to be a philosopher, in the true sense of the word. He

generally specialised in one field or the other and was not a jack of all trades and master of none. Most of these scholars were of Iranian descent. We shall give brief life sketches of a few of them.

Jabar Bin Hayan

Hayan is the founder of modern Chemistry and it is strange that very little is known about his life. His father was a Shiaite Arab, hailing from the South of Arabia. Hayan, however, was born in Tus in Iran. Having spent the early years of his life in Tus, he was sent to Arabia where he lived the most part of his life.

Hayan entered the court of Harun-al-Rashid, thanks to his contacts with the Iranian Barmakis. Barmaki were virtually the brain behind the regime in Baghdad and, in a way, the strongest of its pillars. Most of the 3,000 books and treatises that Hayan has to his credit, are dedicated to them. Besides being the greatest of the chemists of his time, Hayan was a versatile genius, on quite intimate terms with other disciplines, such as Philosophy, Logic, Physics, Medicine, etc. He is best known for 112 of his books, all dedicated to Barmakis, on various subjects. Seven of these had also been translated into Latin.

Khwarzmi

Mohammad Bin Musa Khwarzmi (D 239) is the first mathematician of the Muslim world. He is, indeed the founder of Algebra. He is the author of the first ever book on the subject, *Jabrul Maqala*, and the term 'Algebra' is in fact a European version of the same. He was born in the Khwarzam region of Iran, and was associated with the court of Mamoon. He had also been to India to acquire the knowledge of Hindu sciences.

At the court of Mamoon, he was a member of a group of astrologers,

working on an assignment on certain solar measurements. He introduced the Hindu sciences to Europe and was also the author of a book on Geography.

Razi

Mohammad Bin Zikraya Razi (211-313), or Rhazes, as he is known in the West, was one of the greatest Muslim scholars and physicians. He was born in the city of Re. As a physician, he ranks second only to Abu Sina.

He was also a musician and at 30, was regarded as the master of this art. But later on, he switched over to Chemistry. Razi had learned philosophy from Tabri. In the latter part of his life he devoted himself to Medicine. As a doctor, he had the opportunity of presiding over the hospital of Re and later on at other places where he cured a large number of people.

Almost all of Razi's 84 books have been destroyed, save a few on philosophy. The voluminous *Alhawi* is his most important work on medicine which is popular in Europe also. *Depesit-Ilentia* is another of his books (on smallpox) that has long served as a manual in Europe.

Farabi

Abu Nasr Farabi (258-339) was born in Farab in Iran. He knew almost all the major languages of the world and was a philosopher and logician of exceptional brilliance, despite the fact that he had learnt them at a latter stage of his life. Among his very many pupils he had Yahya Bin Adi, the well-known Christian Arab scholar.

In the post-Islamic period, Farabi is the only person who compartmentalised the various disciplines subject-matter-wise so competently that even Aristotle's work on the same paled into insignificance.

Bruni

Abu Rehman Bruni (362-442) has often been described as the most erudite of all the Muslim intellectuals and that is no exaggeration. He was born in Khwarzam and was a mathematician by education. A widely travelled person, he had been to most parts of Iran and India. He is best known for his *Kitabul Hind* (Albruni's India), a book that deals with the religion, the science and customs of Indian people. His second important book *Qanun-e-Masudi* ranks with Abu Sina's *Qanun*. As a doctor of knowledge, Bruni has perhaps no parallel in the world of Islam.

Ghazali

Mohammad Ghazali was not essentially a philosopher yet the history of Islamic learning is incomplete without mentioning him. Born in Khurasan (North Iran) he received his early education in Neshapur. He excelled in jurisprudence and was asked to take charge of Madrasa Nizamia at quite an early age.

Ibn-Sina

Abu Ali-Al-Hussain Bin Sina (370-428) popularly known as Ibn-e-Sina is named as Avicenna in Latin. The Iranians have conferred upon him the honorific title of 'Sheikh-ur-Raees'. He is one of the all-time greatest in the fields of Philosophy, Medicine and other sciences.

Ibn-e-Sina was born in the neighbourhood of Bukhara. He was hardly 10 when he gained sufficient mastery over grammar, literature and *Kalaam*. He also committed the whole of Holy Quran to memory.

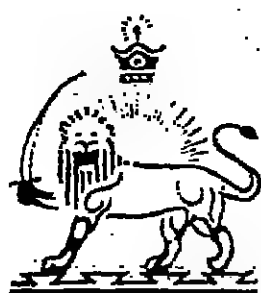
Early in his life, he left Bukhara because of changing circumstances in Asia and travelled to

different parts of Iran. As he was a great *hakim* (doctor in medicine) he was warmly welcomed wherever he went and commanded respect from all quarters. He stayed in Re for quite sometime and then went over to Hamdan, where he was taken in as a minister. Due to certain political exigencies, he left Hamdan for Isfahan, but returned to Hamdan where he lived for the rest of his life. Iranians flock to his tomb as a mark of homage to his learning and scholarship.

Ibn-e-Sina was a prolific writer and has left behind about 250 books of varying bulks. His first and the most well-known treatise is popularly known as the *Qanun-e-Sheikh* which is on Medicine. It is such a masterly work that even to this day it is taught in the higher level Arabic schools in every country. Europe has greatly benefited from this and for a long period through its Latin translation. His second well-known work is on the subject of Logic and Philosophy. It is known as 'Al Shafa'. It was translated into Latin under the title of *Sufficientia*—which means 'much in quantity'.

Ibn-e-Sina has deeply influenced both the East and the West. He has all along served as a beacon of light for all intellectuals and scholars in the Muslim world. His work on Medicine and Philosophy has a living influence even to this day.

This short essay on the rôle of Iranian culture in Islam cannot possibly include the names of all the Iranian doctors of Art, Science and Religion, who enlightened people at large and thus brought a good name to the world of Islam. A full account of their life and work would require several volumes. Had there been no Omar bin Khayyam, Abu Al Wahid Mohammad bin Rushd, Khwaja Nasir-Uddin Tusi, Qutbuddin Sherazi and the aforementioned, the world would have been a poorer place to live in.



Iran

N.I.O.C. Report for 1975

by the Chairman: H.E. Dr. M. Eghbal

The theme of "Petroleum for the welfare of mankind" was in fact the motto adopted by the World Petroleum Congress in Tokyo in May 1975; and my remarks here as an introduction to my address are in fact the highlights of my address at the Inaugural session of the Ninth World Petroleum Congress.

The present share of oil and gas in meeting the world's energy requirements is approximately seventy per cent, while it was not more than four per cent in the early years of the 20th century. It is considered the ever increasing world energy requirements in the last three generations, the rate of the increase would certainly astonish us.

A couple of years ago in the course of a survey carried out by scholars with respect to the

their rate of exploitation and consumption provide us with undeniable proof that should the principal consumers of oil products fail to exert efforts either to reduce the rate of consumption or to replace oil with other sources of energy such as coal, and nuclear, solar and geo-thermal power, there would be a scarcity of oil and gas in two decades. Therefore, any effort in this field should be carried out on an international scale. We must also accept the fact that oil and gas are main sources of energy, and their consumption as fuel should be treated with extreme care.

H.I.M. the Shahenshah Aryamehr has repeatedly stressed this fact in past years, declaring that "Oil is a precious material, and should not be used for thermal purposes. This valuable material should be devoted to more

introduction and revert to the main subject, adhering to the tradition of past years by presenting a very short report of the achievements and accomplishments of the oil, gas and petrochemical industries both in Iran and abroad during the year 1975.

During the year in question, the National Iranian Oil Company and other oil companies operating in Iran carried out a comprehensive survey throughout the country to discover new reserves as well as to evaluate known reserves and possibilities for further exploitation. These surveys, which included seismicographic, geologic and drilling activities, resulted in discovery of three new oil and gas fields in the operating area of the Oil Service Company of Iran, one oil field in the operating area of the Sofiran Company in the Gulf, a gas field in the operating area of the European Oil Companies Group and an oil field in the N.I.O.C. operating area.

As regards exploratory activities and joint ventures abroad, a gas and oil field was discovered in the North Sea in co-operation with British Petroleum which is now being evaluated. We have also concluded joint venture agreements with major oil companies to engage in off-shore exploratory activities in Greenland.

Iran's share of total world oil production in 1975 was 10.6 per cent which was 28.7 per cent of the total Middle East production and 18.5 per cent of the total OPEC production.

Iran at present ranks fourth and second in world oil production and export. The total oil production of Iran in 1975 was 267.9 million metric tons, of which 248.8 million tons were exported either in the form of crude or refined products, and the balance was consumed locally. The decrease in production and export in 1975 compared to the previous year was 11.2 and 12.3 per cent. Exports made directly by N.I.O.C. from the production of affiliated companies as well as from the southern oil fields and off-shore fields in the Gulf reached 25.2 million metric tons which was an increase of 27.7 per cent over the previous year.

The second Tehran refinery, with a capacity of 100,000 barrels a day, was inaugurated by H.I.M. the Shahenshah Aryamehr in March 1975.

The project for expansion of the Abadan Refinery is being implemented and is expected to be completed in 1978. As a result, the Abadan refinery will hold its position as the largest exporting refinery in the world.

The Madras and South African refineries, as well as the Madras Fertilizer Company, another N.I.O.C. joint venture abroad, were contributing their favourable share to the Iranian oil industry, while other efforts were being made towards expansion of foreign refining and distribution activities.

In the course of giving effect to the instruc-

tions of H.I.M. the Shahenshah Aryamehr for replacing exports of crude by refined products and thus benefiting from their increased value, programmes have been developed for the construction of export refineries. These programmes, which were temporarily delayed due to recent international developments as well as economic problems in the industrialized countries, have regained momentum and are progressing rapidly.



NIOC Chairman H.E. Dr. M. Eghbal signing NIOC/BP Tanker Deal, Tehran 8th March 1975.

During the past year, N.I.O.C. in pursuit of its international objectives, has entered other foreign refining and distribution agreements to the extent that they do not jeopardize its policy of export refinery expansion and take into consideration world market situations.

An agreement was concluded between Iran and Senegal last spring, establishing the Iran and Senegal Oil and Mining Company. In compliance with this agreement, a refinery will be constructed in Senegal and the products will be marketed with the N.I.O.C. international trade mark. Phosphate deposits in Senegal will also be extracted for export to Iran.

Another agreement was concluded between N.I.O.C. and South Korea in October 1975. A refinery with a capacity of 80,000 barrels a day is to be built, and the South Korean Government has undertaken to have exclusive distribution of lubricating oils to the refinery.

Activities Pertaining to the Gas Industry

There was an increase of 15 per cent in the gas exported to the Soviet Union in 1975, while the increase of internal consumption was 16.5 per cent. The consumption of liquefied gas shows an increase of 24 per cent in the past year.

Exploratory activities for gas in 1975 resulted in the discovery of a gas reservoir in the pars structure. The drilling of a first test well was completed and the second test well is now being drilled. The Oshin and Sarakhs gas fields are being developed to supply internal consumption.

A sales agreement was concluded in

Shahpour chemical project, Iran Fertilizer Company, and the Abadan and Kharg petrochemical facilities, were in full production last year. The total capital cost of these complexes exceeds US \$360 million, of which US \$110 million was paid by the Iranian Government in cash and the balance provided through long-term loans. Total sales of petrochemical products in 1975 exceeded \$200 million. (Domestic sales exceeded \$1.3 billion, or US \$20 million).

The National Petrochemical Company of Iran continued its expansion policy. H.I.M. the Shahenshah Aryamehr inaugurated the Alwar carbon black plant in November 1975. The total annual capacity of the plant is 15,000 tons, which can supply 95 per cent of domestic requirements.

The expansion of the Abadan Petrochemical Complex to increase annual production of P.V.C. from 20,000 tons to 60,000 tons has been completed and the plant is ready for commissioning. The new plant for production of mixed fertilizer in the Shiraz fertilizer complex, with a total annual capacity of 50,000 tons, was completed and commissioned. The sodium triphosphate plant (providing base material for detergents), with an annual production capacity of 30,000 tons, is having its test runs.

Approximately 80 per cent of the Iran-Nippon petrochemical complex project with annual production capacity of 23,000 tons of Anhydride and 40,000 tons of silber (DOP) is completed and will be commissioned in 1977.

The existing plants of the Shahpour chemical complex are being expanded and new plants are being constructed, which will increase the capacity to 1.3 million tons per year, making present capacity. The commissioning of the plants will take place in 1977 and early 1978.

Construction under way on new plants in the Shiraz fertilizer complex will increase their capacity to 800,000 tons per year, six times the present production. Commissioning will take place in 1979.

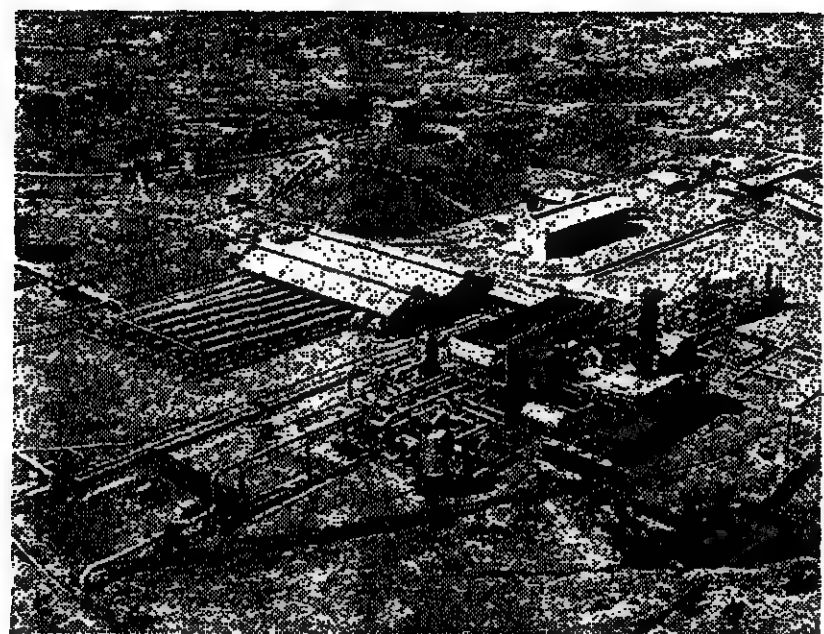
Another project for production of 800,000 tons of aromatics in the Abadan refinery is underway and it is estimated that production will begin in 1980.

Total capital investment in these projects is estimated at US \$3 billion.

Prior to concluding my address I would like to draw your attention to an excerpt from an address by H.I.M. the Shahenshah Aryamehr.

"I foresee a very brilliant future for our National Iranian Oil Company and there is no reason why this company will not emerge as one of the largest oil companies in the world."

Needless to say, the achievements of N.I.O.C. during the course of the past year—a summary of which has been brought to your attention—could not have been accomplished without the intelligent guidance and leadership of H.I.M. the Shahenshah Aryamehr, and the contributions of my colleagues who are members of this institute. These efforts have resulted in N.I.O.C. assuming the rank of the third largest oil company outside the U.S. I assure you that there is a still more brilliant future for our company.



Aghajari Production Unit No. 3 with the capacity of 200,000 bbls-per-day - South Iran.

relation and lack of co-ordination between known reserves of fossil fuels and their exploitation and consumption, a disturbing conclusion was revealed to the effect that, if world consumption kept increasing in proportion to world trade, an acute shortage of energy would certainly develop. Moreover, this shortage would be felt more in the realm of oil because of its relatively limited resources, cheaper exploitation, easier application and ready consumption.

This observation and the related anxiety concerning world energy requirements have gradually attracted universal attention. The importance of the energy problem confronting us today cannot be ignored. Comparison of the statistics on oil and gas reserves and

profitable uses to feed chemical and petrochemical industries.

I take great pleasure in stating that full consideration has been given to the policy in Iran, and in accordance with our long term programmes, by 1984 over fifteen per cent of the energy requirements of the country will be supplied by nuclear power stations.

The National Iranian Oil Company, in compliance with the decrees and instructions of H.I.M. the Shahenshah Aryamehr and by adhering to the policy mentioned earlier, is exerting its best possible efforts to safeguard the interests of Iran within the framework of existing agreements.

At this juncture, I should like to conclude this

BEHSHAHR INDUSTRIAL GROUP

The Behshahr Industrial Group (B.I.G.) is a diversified group of 22 wholly-owned and 9 partnership companies. Its activities range from the production and marketing of consumer products, textiles and packaging to construction, banking, insurance and international trade.

Twenty years have passed since its first days of being only a commercial firm. The group now employs more than 9000 workers, technicians and administrators throughout Iran. Today, it is one of the largest private industrial enterprises in the Middle-East, and its products have the largest market share in Iran.

RECIPIENT OF EUROPE'S HIGHEST AWARD TO INDUSTRY:
In recognition of its outstanding achievements and success in the business world, the Behshahr Group was accorded the 1973 **MERCURY AWARD**, Europe's highest award to industry by the "Comité de L'Elite Européenne". This award is given once every three years to a private company whose products best conform to international standards and which has the soundest system of management.

PRODUCTS OF THE GROUP:
Vegetable oil; soap; detergent; household cleansers; sodium sulphate; oxygen; fabricated steel structures; rayon; velvet and knitted fabrics; metal cans; corrugated cartons; cakes; cotton; construction material.

BEHSHAHR INDUSTRIAL GROUP
70 Sepahbod Zahedi Avenue, TEHRAN - IRAN; TELEPHONE: 8171

TELEXES: 212472 (ARIN IR)
212559 (PAN IR)



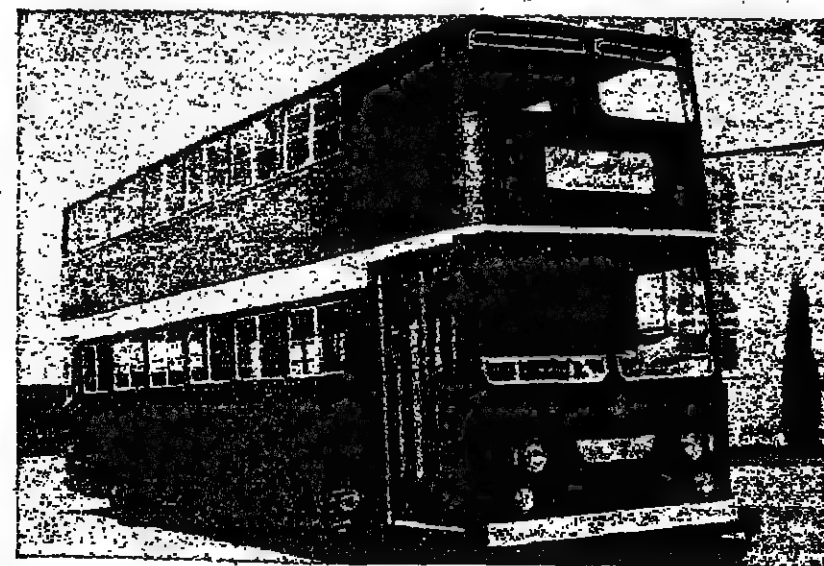
Leyland Motors Iran Co.

The Market Leaders

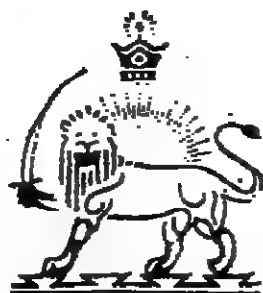
A complete range of Trucks:
Light Medium and Heavy Duty from 3 Tons Upwards



Buses:
Double Deckers "New Model"



فصل اول



Iran

The Health Corp

A Success Story

In Iran's White Revolution the sixth of Bahman (26 of January) stands as a landmark, a source of pride in the long history of Iranian modernity. On this day H.M. the Shahshah won the overwhelming support of Iranians for his proposed revolutionary six-point charter, thus setting Iran on the road of swift progress and prosperity. The dramatic changes in the Iran of today are based on the initial six points of revolutionary charter:

- 1 Land reform.
- 2 Nationalisation of forests and pastures.
- 3 Sale of government factory shares to support land reform.
- 4 Introduction of profit-sharing system to factories and workshops.
- 5 Reform of electoral law.
- 6 Formation of literacy corps.

The number of these points has increased as a neutral response to the needs of changing times. Today Iranians boast a 17-point revolution to which they owe their progress and prosperity. Subsequently added points are:

- 7 Formation of Health Corps.
- 8 Formation of Development Corps.
- 9 Formation of Equity courts.
- 10 Nationalisation of Natural Water resources.
- 11 Reconstruction of the Country.
- 12 Administrative and Educational revolution.
- 13 Expansion of ownership base of industrial and manufacturing units.
- 14 Price stabilization and campaign against profiteering.
- 15 Free Education.
- 16 Provision of free nutrition and care for all children from birth up to the age of 2 years old.
- 17 Provision of health insurance to general public.

The Health Corp, which is regarded as one of the most important principals of Iran's revolution, was made part of the charter in 1963. The objective behind the establishment of this Corp was to promote public health and to provide medical care to people from all walks of life especially the farmers. Prior to the establishment of the Health Corp, there was an inadequate number of health centres throughout the country. The Corp is made up of medical doctors, nurses, college and trained high school graduates who instead of the compulsory two-year military service, travel in teams in rural areas to provide health care to the farmers. Generally speaking they are involved in treating various patients, vaccination and preventive measures against epidemics, promotion of a healthy living environment, family planning and population control, improvement of diet and ecology, and guiding the farmers in health matters.

There are a considerable number of teams dealing with the problem of population control. Prior to the establishment of the Health Corp, frequent child births by village women, due to lack of information and unavailability of different means of contraception, complicated life both for themselves and society as a whole. With the start of the Corp's activities, however, and familiarization of rural women with various methods of contraception, enormous successes have been achieved in population control. Today family planning forms the central theme of the Corp and has become a success story. Through intensive family planning instructions for the village women and provision of free birth control pills as well as other preventive mechanisms such as the I.U.D., Corp women have awakened villagers to the advantages of fewer children. This has often been against strong traditional prejudices. The following statistics depict the activities of Corp women since the launching of the Corp's activities up to October 1975:

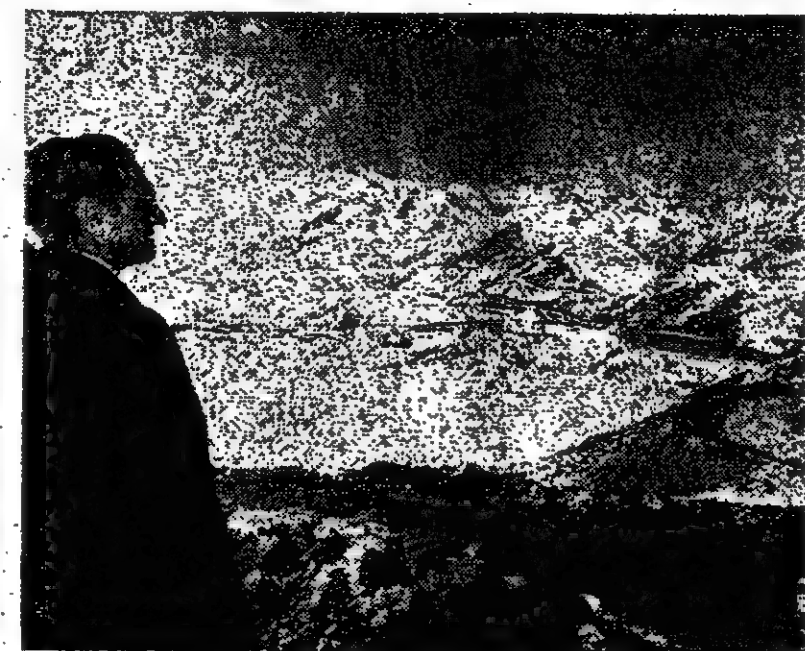
- 1 The number of applicants for birth control pills 1,971,844
- 2 The number of applicants for I.U.D. 13,376
- 3 Instructional sessions at clinics 329,128
- 4 The number of participants at these sessions 5,231,772
- 5 Non-clinic sessions 257,236
- 6 Non-clinic session participants 5,002,907

As the above statistics show that the Health Corps men and Corp women not only have achieved the objectives of the population control programme but other objectives as well, such as curbing the death rate and epidemics, through availability of health care to all Iranians.

A Plan for Rural Development in Iran

The Education Corps is a national programme in Iran which has been founded on co-operation between the people and the government.

It dates back to the Referendum of 1963, when the people voted "yes" to the six points of "The Shah and the People Revolution".



His Imperial Majesty inspects the Copper Mines of Kerman.

"The Revolution of the Shah and the People" has added to seventeen points up to now. The sixth one was provided for the creation of a Literacy Corps, whose delegation was elimination of illiteracy in the country as a whole. All secondary school graduates, both male and female, were to spend three-quarters of their two-year military service term in teaching the rural population to make them able to read and write; moreover to help them with many other life necessities. It depends upon a bold, unconventional, and decisive command which was issued by the Shah. Concerning the combat against illiteracy.

According to this point, secondary-school graduates go through a short period of military training, and then, instead of membership in the army units, they are sent to different parts of the country as rural teachers.

A part of the starting results of their activities will be the final eradication of illiteracy.

The presence of young, educated, trained, and well-disciplined youth in the villages has injected them with new blood, thus a new soul of living has been given to the rural residents.

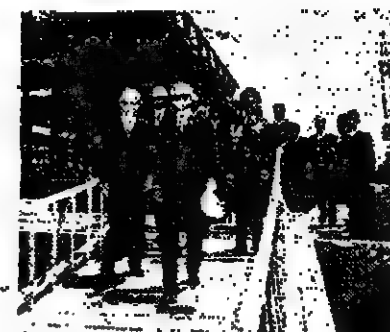
number of students has increased to the rate of 180%; b. The number of schools has increased to 271%; c. From the beginning of the programme of Education Corps, as a whole, 2,419,573 students have entered into the schools Education Corps.

The Establishment of the Female Education Corps

This Corps was founded in 1969 and it was a way to discover their capabilities. This Corps prepares them to participate in the country's modernization covering economic, political and social activities.

Just like the male Corps they have to spend six months in the garrison and 1.5

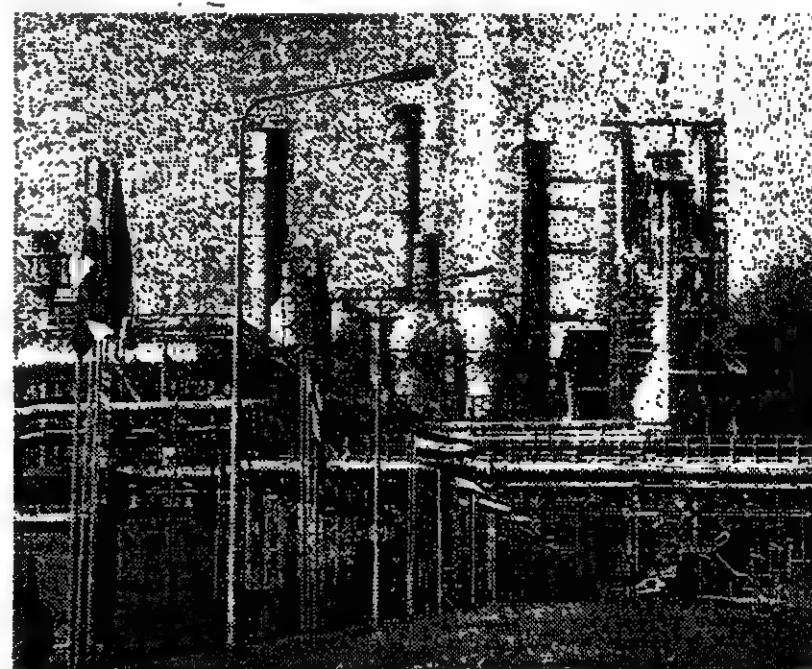
female are insured against death, accident and sickness. The Iran joint stock Insurance Company is their insurer.



The Shahanshah inspects the Steel Mill at Isfahan.

The University of Revolution Corps

Corpsmen Training College was established in 1965 for the Corps, but after a



Steel Mill complex at Isfahan.

year in the villages as their service time. They are allowed to choose the delegation place, hereafter they are sent to the villages or to the towns.

The Insurance System for the Corps

All of the Education Corps, male or

few years it developed to a special university which trains and educates a number of the best Corps men and women (who are chosen for different aptitudes) to complete the teachers' course.

It can be said, that education as an essential necessity or institution is progressing in Iran at a logical and reasonable speed.



IRANIAN TOBACCO COMPANY

205 Iranshahr Avenue, Tehran-Iran
Cable Address: Tabakmonopol

Iranian Tobacco Company is one of the largest financial organizations of the country with extensive activities in the agricultural, industrial and commercial aspects.

Over one million people including farmers, workers and tradesmen cultivate various types of tobacco and tobacco in an area of approximately 19,300 hectares, process and sell over 14,114 million cigarettes and produce about 6,240,000 kgs of tobacco products. With an annual sale of more than 20 billion rials a net income of 6,700,000,000 rials is gained for the Government.

In the tobacco research centres the seeds of different types of tobacco are selected according to the most up-to-date scientific methods. After hybridization and regeneration, special varieties, which are resistant to diseases, are put free of charge at the disposal of the growers.

The Iranian oriental type tobacco is of the best quality and has already won many an international award including a gold medal at the exhibition in Brussels.

The American type virginia tobacco is grown in the northern regions of Iran under favourable climatic conditions yielding delicate leaves of quality.

Varieties of the Iranian oriental and semi-oriental tobaccos become standardized in the sophisticated manipulation and artificial fermentation plants of Rezaieh and Sari and undergo favourable and rapid qualitative modifications in their leaves.

In the well-equipped redrying plants the ribs of the American tobacco leaves are carefully removed in line with the latest scientific methods and are redried to prevent moulding during their storage in the central warehouses. This ensures a safe and sound storage of the leaves for the required ageing and fermentation period.

The Iranian tobacco has gained universal fame and, every year, more than 300,000 kgs are exported.

Iranian cigarettes are produced according to the international standards. The exportation of Iranian cigarettes and the ever-increasing admiration of the purchasers in the Emirates and Sheikdoms and European countries provides the best testimony to their high quality.

Iranian Tobacco Company

Pars China

Manufacturing Co.

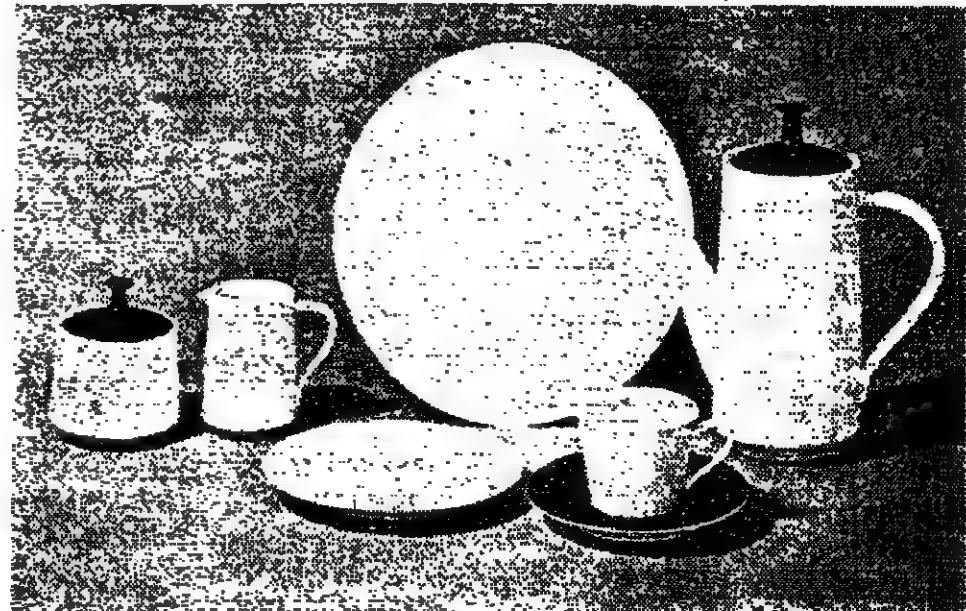
- ☐ The First Manufacturer of Table Porcelain in Iran
- ☐ A Joint Venture with Noritake of Japan.
- ☐ Each piece is a work of art, a treasure you will love to give or own.

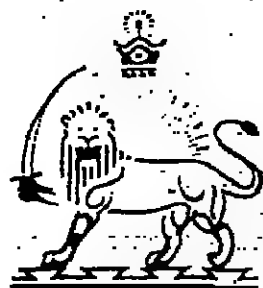
Telephone: 838482 831505

Telegram: COPARCHINI

Address:

No. 25, Fifth St.
Nader-Shah Ave.,
Tehran, Iran.





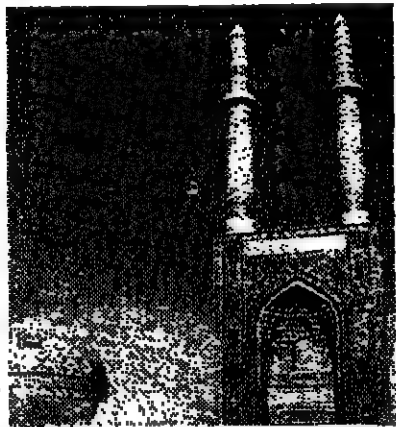
Iran

mirac

It is Time to Visit Iran

In April Iran will be celebrating the jubilee of the Pahlavi dynasty. The Persian monarchy dates back 2,500 years to Cyrus the Great. Under Cyrus the Great, the Persians overthrew the Median Kingdom and established their rule. Later they formed the first world empire which stretched from the Indus to Egypt and the Danube to the Indian Ocean. The Achaemenian Empire which thus came into being lasted from 550 to 330 B.C., under great monarchs such as Cyrus, Darius, Xerxes and Artaxerxes.

The institution of monarchy in Iran is 25 centuries old and the monarchy has been, since ancient times, the symbol of national unity, bringing together in a unified whole a country of diverse geographical areas and living patterns. Through the centuries the country has undergone many periods of crisis and with the Constitutional Revolution of 1906 the Iranian renaissance began and it was given concrete direction with the coming to the throne of Reza Shah the Great. 50 years ago, his son, who is like his father a self-made man, has become a successful modern leader.



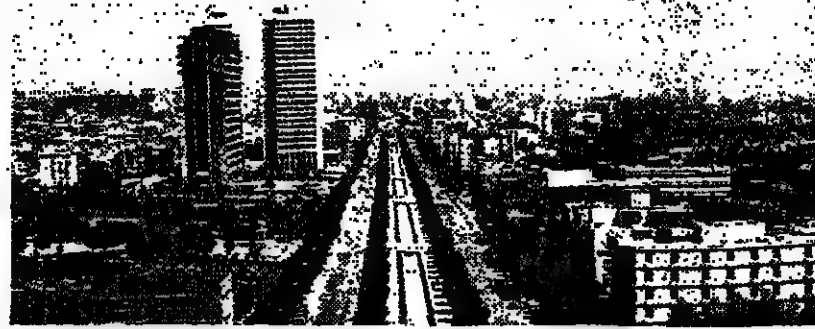
The Jami Mosque—Yazd.

Under the leadership of the Shahanshah, Iran as the emerging giant of the Middle East, would seem to be the place to visit these days. Tehran alone draws thousands of businessmen from every corner of the globe. More and more foreigners are going on contracts to work in a rapidly expanding economic system, while hundreds of casual visitors with particular interests in archaeology, art, history or religion get great satisfaction from exploring the country, especially at the time that Iran is celebrating the 50th anniversary of the Pahlavi dynasty when the traditional festivals burst with noise and colour throughout the country.

The sight of foreigners wandering around in the carpet shops and bazaars is nothing new to most Iranians, especially those living in the larger cities.

The presence of so large a crowd of foreigners in the country has already given rise

to a cosmopolitan air in Iran. One does no longer have to go to the international airports or the lobby of luxury hotels to feel this cosmopolitan air; it is felt in one's own locality. Tourism in Iran, therefore, has undergone different changes.



Boulevard Elizabeth II—Tehran.

Iran enjoys a unique position among the oil producing countries of the region. While its thriving oil based economy has attracted a new breed of tourist, the business seeking businessman, Iran continues to be a magnet for students of history, and adventurers and its own people out to discover the homeland.

Roughly, therefore, today's tourist visiting Iran is one of four types. This is a significant development as, until quite recently, the tourist used to be just that and no more.

In 1975 over 500,000 foreign tourists have already visited Iran. This is 138,000 more than in 1973-74.

Who were all these people? A breakdown which would determine the composition of this tourist traffic into Iran may seem like a tall order. But a close look at the figures collected by the Ministry of Information and Tourism of Iran would, for instance, show that the average tourist visiting Iran in 1964-65 spent an average of \$150.7 in the country. In 1969-70, the average tourist was still frugal and spending only a little more than \$153.5 on an average—while the number of tourists visiting the country had jumped from 128,000 in 1964-65 to 241,000 in 1969-70 and the national earnings, too, had gone up from \$19 million to \$37 million. Even up to 1974-75, the average tourist did not spend more than \$168.7 although Iran earned as much as \$38.7 million from 413,000 tourists who visited the country.

In other words, the average tourist's spending in Iran during 1964-65 and 1974-75 increased by less than \$20—a surprisingly low increase which is best explained by the fact that the incoming foreign tourist did not really experience any major price fluctuations over this period.

Comparing this with the skyrocketing tourism prices in some other countries—which in some cases have completely eliminated the moderate spender and thrown many unwilling tourists into the high-spending category—

one can have a fair idea of the stability enjoyed by Iranian tourism.

It is gratifying indeed that while some of the best luxury hotels of the region cater for discriminating tourists in Tehran, the cheap bed-and-breakfast establishments have not only remained but are thriving, and this probably explains why an increasing number of young people with small budgets are flocking to Iran. During the year 1975, for instance, the number of tourists visiting the country has gone up but the average spending by each tourist has gone down to \$140.

Many projectionists like to put all emphasis

on the rise in the number of tourists but Iran, no longer dependent on tourism for revenue, tries to improve the quality.

The Ministry of Information and Tourism is currently busy implementing a comprehensive programme under which about 123 tourist projects have been launched. Although some of these projects are hotels with de luxe facilities, a large number consists of camping sites, student hotels, health resorts and wayside traditional-style inns. As many as 96 hotels are being built under this programme which will add 6,600 beds to the present number. All the 123 projects put together will provide a total of 13,000 beds.

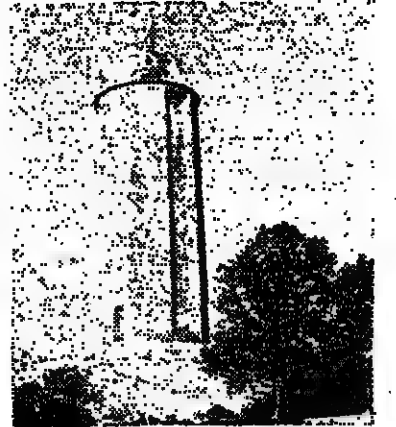
Work has already started on small 20-room and large 180 to 200-room hotels in many districts including Kerman, Babol, Khorramshahr, Yazd, Sanandaj, Rezai, Kashan, Zanjan, Lar and other towns located throughout the country and providing access to as yet undeveloped resorts.

Development of the provincial tourism facilities has two main advantages. Foreign tourists who have so far confined their visits to Shiraz, Isfahan and Meshed—working



Sassanid relief at Togh-e Bostan, Kermanshah.

sometimes on a set pattern—will be able to explore far off regions with a wealth of historical remains, lush in their natural grandeur and beauty and still retaining features that are fast disappearing in the industrialized urban areas.



The Tomb of Gheibollah Voshaghi at Gombed Kerman.

In an obvious attempt to diversify the scene, the Ministry is also setting up seven tourism complexes in such idyllic places as Damavand, Gorgan and Yasuj. These will



The Damavand—Highest peak in Iran—over 18,900 ft.

consist of a hotel, a motel, restaurants, sport facilities, villas, bungalows and shopping centres. One major complex planned for Chah, on the Caspian coast near the Langah-Rud river, will have 60 villas, 20 small hotels, apartments, restaurants, stores, camping grounds and sport facilities.

Mineral springs—a popular converging point for Iranians—are also being developed into modern tourist resorts.

But as noted earlier, the Iranian tourism industry is already under pressure to cater for people with different tastes, coming from different stations in life. Present plans put adequate emphasis on meeting the challenge of rapid urbanization, the spread of industrial-financial infrastructure and the constant inflow of people involved with the country's economic activity.

Places of Touristic Interest

Tourists, of course, differ in their tastes. Iran can offer much to many tastes. Persia evokes a long historical memory and a special way of life. Most tourists find the history and geography fascinating.

The history can be found in any standard work, the rise of the Persian Empire, the creation of Persopolis, and the colourful pageant

try, through the many centuries. What is touristically important is that many of the monuments have remained.

Persopolis is one of these monuments. Every September, part of the Shiraz Arts Festival is held at the Great Apadana of Persopolis. The remains are one of the imposing sights of classical antiquity.

Poetry recitals are very popular in Iran and thousands of young people are keen to attend mass gatherings to listen to their favourite poets.

There are many museums and art galleries in



Traditional Tea-House—Kerman.

Tehran and other major cities where the visitor can see not only ancient ruins but also paintings and sculpture by contemporary Iranian artists who have created a world of their own through blending traditional Persian motifs with western ideas of artistic expression.



Jami Mosque—Ardahan.

Persopolis is probably the most famous among the historical structures of Iran. It is one of the most imposing remains of classical antiquity. It evokes the splendour, the powerful culture and international vision of the Great Kings of the ancient Persian Empire expressed in acres of sculpture-adorned the immense stone-works and the extensive architectural remains of the royal city.

Near Kermanshah is situated Bisotun where there are the monumental rock carvings and bas-reliefs of Darius the Great.

Further south in Khuzestan is Susa, the site of one of the world's most astounding examples of the super-imposition of cities. A short drive away is the rugged of Chogha Zanbil, one of the best examples of Elamite architecture, looking very much like the Biblical Tower of "Babel" (Babylon).

Archaeological remains can be found throughout the country and, year in year out, there are typically at least a dozen excavations going on simultaneously. Almost pari passu, as modern Iran develops, more of ancient Iran unfolds.

Ancient remains and monuments can be seen all over the land from north to south and west to east.

Cities to visit

There are vividly beautiful cities in full vitality which retain much of the character of former days. Among these are Isfahan and Shiraz. Isfahan is a living art treasure, among the world's most beautiful cities. Yet Shiraz, the ancient navel of Isfahan, in its own way, is quite beautiful.

Shiraz is famous for its roses and for the poets who celebrated them. Isfahan is a very well-preserved city with beautiful and unique tiled-mosques and buildings. It is a city in which religious faith has also been expressed

through architectural poetry. The multi-coloured mosques in exquisite tile-work are among the most splendid constructions in Islam. The graceful bridges, the handicraft bazaars make Isfahan a lively pleasant city.

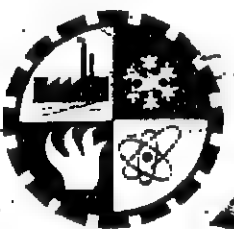
In both Shiraz and Isfahan many new hotels have sprung up in recent years, ranging from very luxurious to simple and modest ones.

The centre, however, is Tehran. Not that Tehran is the most beautiful city in Iran, but it is the largest and the centre of communications where most excursions begin and end. Among the interesting attractions of Tehran are the many museums, including a display of the priceless Crown Jewels, the palaces, and the modern way of Iranian life.

From Tehran it is a short distance to the vast forested Caspian Sea region and popular summer resorts. For some the desert has a special attraction, for others the lofty mountains. There are dramatic geographical contrasts throughout Iran, from Gilan where there is more rain than in England to the salt flats of the Lut where it hardly rains, from great oak forests to deep palm groves. Iran, if one has the time, is an extraordinary geographical adventure, especially off the beaten track.

There are for instance, the stinking Alborz and Zagros Mountains, the lush plains of Gorgan, huge sculptures heven into cliffs, as at Bisotun, near Kermanshah, excellent hunting for pheasant or wild boar, and virtually everywhere areas of historical or of contemporary interest.

Above all, Iran is a country to meet people and make friends. Hospitality is a hallmark of the Iranians for foreign tourists. Tourism is an old industry in Iran, and throughout the different periods received special attention. Proof of this are the numerous caravanserais, water reservoirs and other facilities built for travellers, but it was during the reign of Reza Shah the Great that the first positive steps were taken towards the development of tourism by constructing the first tourist hotel in Chahin to be followed by hotels at Bamash, Babolsar, Gachsar and other resorts. In other words, 50 years ago can also be considered as the birth of the modern tourism industry in Iran.



AZMAYESH

Azmayesh Industrial Factories Started their operations some 30 years ago with a limited capacity and small scale machinery. Today they are proud of being called one of the most active industrial and production units of the country. For every Iranian, the name Azmayesh is a house-hold word because Azmayesh products are made conforming to international standards and offered at internationally competitive prices. Consequently, many families prefer to choose house-hold appliances made by Azmayesh.

Azmayesh Industrial Estate stretches within a sprawling area of 200,000 sq. meters at Abe-Ali Road, [12 km] where a wide range of TV sets, refrigerators, space heaters, gas cookers, water heaters and coolers are produced every day. A substantial part of these products is now being exported to overseas markets.

- ★ TELEVISION
19" 23" and 24"
SCREENS
- ★ REFRIGERATOR
IN 5 MODELS
- ★ COOLER
IN 10 MODELS
- ★ SPACE HEATER
IN 5 MODELS
- ★ GAS COOKING
RANGE
IN 6 MODELS
- ★ GEYSER
IN 2 MODELS
- ★ WASHING MACHINE
IN 1 MODEL

AZMAYESH

A HOUSE-HOLD WORD IN IRAN

This material has been supplied by the Ministry of Information and Tourism, Government of Iran.
For further information please contact Information and Tourism Centre, 17-25 Sloane Street, London SW1. Telephone: 01-235 4441/2/3.

فازنده المثل

COMPANY NEWS + COMMENT

W. H. Smith up £2m. to peak £11.25m.

ON SALES up from £17.27m. to £23.78m., group pre-tax profit of W. H. Smith and Son (Holdings) expanded from £2.21m. to £2.5m. in the year to January 31, 1978.

When reporting profit of £2.5m. (£2.21m.) for eight months, the chairman, Mr. C. H. W. Troughton, indicated a marginally increased profit for the year.

Stated earnings per £1 share advanced from 24.7p to 28.3p and the dividend is stepped up from 8.31p to 8.86p net with a final of 8.86p.

The profits, a record, were achieved in a year in which all aspects of the business played their part and in which new plans were made and resources provided for further expansion.

The retail side, which increased sales by 21 per cent, kept expenses well under control and produced results better than predicted in the interim report.

Wholesale sales increased by 24.3 per cent.

The future is faced with an "extremely strong balance-sheet" and the chairman believes that accelerated expansion of the business should, and can, now take place.

In spite of the difficulties this country faces and given that the Government keeps its nerves and word, he thinks the prospects for the future are very good for staff and shareholders.

1976-77 1977-78

Sales	23,776	27,234
Trading profit	13,624	11,981
Depreciation	3,088	3,801
Share losses associated	387	174
Profit before tax	2,500	2,906
Corporation tax	6,529	6,529
Overseas tax	138	138
Double tax relief	13	13
Outside holders	4,801	4,170
Preferential dividend	1,407	1,302
Ordinary	2,394	2,578
Retained	5,225	5,728

£4.10m. additional £11.25m. fund the increased cost of pensions and crediting £129,000 (1978-79), previously shown as extraordinary profit.

Asset value per £1 Ordinary is 347.8p (247.3p).

comment

Smith is 21 per cent ahead pre-tax. Wholesale volume actually fell by 7 per cent. But the shift away from central London has eased the pressures on the wages bill and improved throughput; and cover prices have been lifted on a whole range of periodicals.

On the retail side, there was an extra 7 per cent of selling space last year—and the addition of an extra eighth is planned for 1978. This plus solid Christmas demand to help offset earlier declines in volume. The current year has apparently started happily enough. But Smith remains a hugely seasonal business with three-quarters of profits concentrated into the final four months. Meanwhile, the share at 870p yield 3.7 per cent, with cover of 3.2 times. And the balance sheet remains as solid as a rock.

Statement Page 28

Sharp drop at Baxter Fell

ON TURNOVER of £9.9m. against £8.78m., pre-tax profits of Baxter Fell and Co. dropped from £1.02m. to £0.231m. in 1977 after £0.38m. compared with £477,444 for the first half.

Full year earnings are shown to be down from 29.34p to 17.89p.

comment

Further major restructuring has been achieved. In the oil services division we have acquired North Sea Gas Services & Utilities Limited, a company with a strong position in the stocking and supply of engineering equipment and consumables to the off-shore oil industry, and our electrical engineering company Wallaceton Engineering was sold. North Sea Gas was acquired on 5 January 1976 and has not contributed to the results now reported.

comment

Mr. William Hughes, chief executive of MSI Securities, which covers the Guinness pharmaceutical and allied interests, is to succeed Mr. Lewis Robertson as chief executive of Grampian Holdings. Mr. Hughes will join Grampian shortly, to allow a period of hand-over before Mr. Robertson leaves to become full-time in his appointment as deputy chairman and chief executive of the Scottish Development Agency.

comment

"Though the UK economy still has its problems, some upturn can be hoped for during the current year. Grampian is well set to benefit and we believe that 1976 will see further progress."

comment

Further to the announcement by Wheway Watson that its rights issue was taken up to £8.84 per cent, the company reveals that the actual number of shares sold in the market was 181,139 at

comment

Grampian's profits decline accelerated in the second half of 1977 when the pre-tax level plummeted from £1.1m. to only £40,000 after a mid-term drop of 38 per cent. The sharpest second-half falls occurred in plastics, paper, light engineering and civil engineering; the last two actually fell into losses during the period. Light engineering is steady up so far in the current year and demand appears to be picking up for both paper and plastics products though margins on the latter are still under intense pressure and likely to limit any real recovery in 1978. Meanwhile, the civil engineering division, though remaining busy on the sewerage and effluent control activities, is still suffering from a lack of work on the GPO cable-laying operation. The group is trying to diversify away from the GPO but the short-term benefits are likely to be minimal and the outlook generally suggests that 1978 will see only a small overall recovery in profits. Borrowings have increased during the year but a revaluation of property has reduced the debt-equity ratio from 75 per cent to around 58 per cent. The yield at 38p is 13 1/2 per cent.

comment

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Recovery at F.C. Finance

After deducting interest of £5.66m. against £18.65m. and exceptional provisions of £264,000 compared with £1.70m. F.C. Finance (controlled by the Co-operative Wholesale Society) achieved a turnaround from a loss of £127,000 to a pre-tax profit of £51,000 for 1977. Turnover was £20.51m. (£20.39m.).

After a tax charge of £312,000 (credit £21,000), earnings are shown at 4.7p (loss 2.1p) per 25p share. A final dividend of 1.5p net compares with a single interim payment of 1.57p for 1976.

The Board states that the exceptional provisions have been made after a further review of loans and land held for development. Having made these provisions the directors consider the valuation of loans and land held for development to be fair and realistic on the basis of realisation in the ordinary course of business.

However, they realise that in the present abnormal condition of the property market and the economic situation there can be no certainty about the value of assets of this kind.

comment

PC Finance's property provisions continued on a declining trend in the second half of last year and this enabled the group to achieve a £268,000 turnaround from losses at the pre-tax level. However, the 17 per cent. fall in pre-interest profit compared with the previous year's is a result of the group's general business of instalment credit and personal loans is still depressed. Recovery here is largely dependent on a major revival in motor-car sales and so far the group has seen no sign of even a modest pick-up in demand from this direction. It is trying to diversify at present by expanding its activities within the framework of the CWS (which holds over 80 per cent of the equity) but the immediate chances of an overall improvement in profits seems slight, especially since further, though smaller, provisions are expected in 1978. At 45p the yield is 5.3 per cent.

comment

A partial recovery in the second half following a depressed first six months held Baxter Fell's full year profits decline to 41 per cent after the mid-term plunge of 50 per cent. This better than expected result, and somewhat bullish prospect for the next two years, left the shares 9p higher at 89p where the p/e is 5.3 and the yield 3.9 per cent, covered just over three times. The company is now correcting the problem of overcapacity at its three Showtax subsidiaries, which incurred a £200,000 loss in 1977. The excess capacity—a result of the investment programme in 1973—is being used for the manufacture of new products such as casings for air-conditioners and parts for the motor industry. Meanwhile, the retail display division is showing a much healthier order book than a year ago with the impetus coming from the Irish market. With the steel supply side holding its own and prospects of a good recovery in wharving profits—down £170,000 to £20,000 last year—expectations of higher profits in the current year are well justified.

comment

Further to the announcement by Wheway Watson that its rights issue was taken up to £8.84 per cent, the company reveals that the actual number of shares sold in the market was 181,139 at

comment

Grampian Holdings has served up, by now, traditional mixture of recovery, genuine progress, and black spots. Industrial services, minus last year's tunnelling losses, but including a strong performance both by construction in the West of Scotland and by transport, has more than doubled profits, after a 15 per cent. drop at the half-way stage, has pushed profits nearly a fifth higher, mainly reflecting strong growth in audit, accessories and components and the absence of the previous year's stock losses in wool. Printing and packaging came badly unstuck, however, losing £40,000 in the second half and a major reorganisation is in progress here including the Wallaceton contribution, pre-tax profits are 15 per cent. higher and earnings of 12p cover a yield of 10 per cent at 38p. Last night, 9 1/2 times. The balance sheet is much stronger, following the sale of Wallaceton for £16m., and overall borrowings are £31m. down from £32m. compared with shareholders' funds of £91m. The leaves plenty of elbow-room for the development of the group's recently acquired interest in North Sea Services.

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comment

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THE EAST LANCASHIRE PAPER GROUP LTD.

	1975	1974
ended 31st December	£'000	£'000
Before Tax	20,847	18,960
Interest	1,248	1,582
Earnings in the Company	598	965
per share	11.8p	11.2p
per share	2.931p	2.931p

Annual Report to the Shareholders, the directors made the following points:

Although the Group was successful in overcoming the effects of the current recession, the downturn in the quarter became severe. Despite the resultant adverse conditions continuing into the current year and at the end of writing, there has been no improvement, the dividend has been maintained at the same level as 1974. In proposing the final dividend which represents a realistic reflection of a not unsatisfactory year, the directors have been struck between duty to shareholders and the compelling need which exists to maintain the company's liquidity.

Market still beset by reduced demand, cheap pulp and escalating pulp costs, caused by falling oil prices, now indications that de-stocking process largely complete. Upturn on Packaging side could herald better results from subsidiaries in converting and printing.

It is believed that 1976 will be a poor year, long prospects remain bright.

East Lancashire Paper Group Ltd.,
Manchester M26 9PR.

Sun Alliance £13m. upsurge

A SHARP rise in 1975 profits from £22.8m. to £35.5m. is announced by Sun Alliance and London Insurance, subject to tax of £13.8m. compared with £23.4m. Premium income from fire, accident and marine sectors increased from £296.15m. to £348.26m. and investment income was up from £28.98m. to £34.41m.

Adjusting for the £37.5m. Rights issue in June, stated earnings per £1 share are lifted from £2.31p to £2.98p and a final dividend of 8.40p net raises the total from 15.37p to 16.40p equal to 23.28p (23.50p) gross, the maximum allowed.

The directors report that home underwriting was less profitable due to a deterioration in motor and engineering business and in some sections of the accident account.

Although the U.S. and Canada remained unprofitable, underwriting results in these territories showed marked improvements while in Australia there was a modest profit compared with loss of more than £1m. in 1974. Since where a number of areas produced better results and, excluding North America, there was an overall profit on overseas business.

Marine, aviation and transport results for the 1975 year now closed reflected "a worsening trend in claims settlements" and in view of the expected loss on the 1974 account to be closed at the end of 1976, no transfer has been made to profit and loss account.

Surpluses disclosed by the triennial valuation at end 1975 of the main life fund resulted in an increased transfer of profits to shareholders, one third of which has been credited to 1975 profits. Investment income included some six months from the proceeds of the Rights issue.

See Lex
Statement Page 30

EMI

As "Depository" for EMI American shares under the terms of a Deposit Agreement dated July 20, 1971, Morgan Guaranty Trust of New York announces that, as from March 23, until further notice, the fee for the issuance and cancellation of American shares will be at the rate of \$0.50 per American share, with a minimum charge for each transaction of \$1.35 as presently

Metal Closures downturn

FOLLOWING the downturn from £2.35m. to £1.8m. in the first six months, the Metal Closures Group finished 1975 with a £1.15m. fall in pre-tax profits to £3.78m.

Stated earnings per 25p share have fallen from 12.54p to 8.61p. A net final dividend of 2.02p makes a maximum permitted total of 3.42p compared with 3.21p previously.

Venus Packaging was acquired on September 29 last year and its results have been consolidated from that date.

The group's liquidity position remained strong at the year end, at £2.4m. and the continuing and satisfactory overseas activities were of ever increasing importance in view of the reduced home demand during the year, the directors point out.

The group is concerned mainly with making and selling of metal closures, collapsible tubes and other metal and plastic products.

	1975	1974
Turnover	35,328	35,371
Profit before tax	3,780	4,332
Tax	1,575	1,835
Minorities	241	137
Net balance	1,968	2,460
Preference dividends	14	14
Interim dividend	498	362
Final dividend	2,456	2,084
Retained	148	1,780

Expenses including relating to the organisation and relocation of John Dale group.

comment

While the general trend has certainly been downward, results from the packaging sector have been fairly mixed, but the figures from Metal Closures compare favourably. Even so, volume is some 33 per cent. lower, although the profits shortfall has been held at a relatively low level. The relative stability of the drinks industry—taking over 50 per cent. of sales—and the strength of the overseas interests, both sales and licensing agreements, have clearly had some impact. Demand remains well below capacity and, although orders are apparently being called off that much quicker, recovery to no short-term operation in the meantime at 75p the share yielded a useful 7.3 per cent. covered 2.5 times, while the strong liquid position, with cash of near £3m., gives sound support.

Confidence at George Spencer

Although 1975 has not started well for Vedonic knitwear makers, George Spencer, the order books show a modest increase compared with last year, the chairman, Mr. H. G. Wingrove tells members.

The current year is "fraught with imponderables," he says, but it is expected that the latter half will see an accelerating upturn in activity.

As the group has emerged relatively unscathed from one of the worst years since 1968, there is every reason to be quietly confident and the measure of this is reflected in the 1975 capital commitment figure of £275,000 says the chairman.

As reported on March 30, pre-tax profits last year fell sharply from £583,463 to £51,973. The dividend is again 2.58p.

Vedonic's sales suffered a serious reversal as volume demand from regular outlets fell to its lowest level for many years.

In the Jersey war division, George Spencer Fabrics achieved record turnover and a small profit while J. R. Fulton had another successful year. However, turnover fell considerably in the warp knit division and the drying and finishing division incurred a loss.

Meeting, Basford, Nottingham, April 30 at noon.

Heal & Son cuts dividend

Retail furniture, etc. Heal and Son Holdings incurred a pre-tax loss of £194,460 in the year to January 31, 1976, compared with profits of £293,207. The dividend is cut from 27p to 5p net per £1 share.

A tax credit of £53,174 (debit £171,059) leaves a loss of £141,286 (profit £121,248).

	1975-76	1974-75
Directors' emoluments	28,614	39,395
Directors' fees	6,018	6,018
Auditors	5,298	6,297
Interest	13,111	21,714
Pre-tax loss	284,460	293,207
Tax credit	53,174	171,059
Net loss	231,286	122,148

In 1974-75 profit of £28,253 from associates.

J. C. Small & Tidmas

Mr. L. E. Folman, chairman of J. C. Small and Tidmas, says that exports continue to form an increasing proportion of sales and this has helped to moderate the effects of the domestic recession and will enable the group to take full advantage of any improvement in world trade.

He says that employees were fully occupied throughout the previous year and he hopes that the improvement which took place in the second half-year will continue.

As reported on March 10, pre-tax profits for 1975 fell from £224,756 to £59,911. The dividend is 2p net (2.28p equivalent).

Meeting of the group—textile manufacturers—is at Nottingham on May 3 at noon.

M & G JERSEY

The interim distribution on Income Units of the M. and G. Jersey Island Fund for the year ending September 29, 1975, will be 1.1p net per unit (0.5p last year), payable 30p. This is equivalent to a gross payment in Jersey of 1.25p and is an increase of 11 per cent. over last year.

The 162nd Stated Annual Meeting of the Scottish Widows Fund and Life Assurance Society will be held at 9 St Andrew Square, Edinburgh, at 2 pm on Tuesday 27 April 1976.

The following are extracts from the statement by the Chairman, Mr A.I. Mackenzie CA, published in advance of the meetings

Successful Scottish Widows' investment policy.

NEW BUSINESS. New business in 1975 again reached a record level. New annual premiums of over £19m were 25% above the corresponding figure for 1974 while new sums assured at £669m and new annuities under group and other schemes of £121m per annum increased by over 31% and 13% respectively.

We have already received an encouraging amount of new business from life assurance contracts effected for Capital Transfer Tax purposes in respect of lifetime gifts and property passing on death. This business was assisted towards the end of the year by the improvements which we made in our premium rates for non-profit whole-life and endowment assurances, with particularly large reductions for non-profit whole-life assurance for sums assured of £15,000 and over. The Society now offers a comprehensive range of contracts suitable for Capital Transfer Tax purposes and these are fully described in our leaflets which can be obtained from any of our Branches.

While there was a substantial demand for pension contracts for the self-employed, new occupational pension schemes business was considerably hampered during the year—firstly, by the natural reluctance of employers to venture into new arrangements before full details of the new State scheme and the associated contracting-out provisions were available and the financial implications could be assessed; secondly, by the restrictions on the introduction of new schemes and improvements to existing schemes imposed by the Government's current anti-inflation measures. New schemes or improvements designed to meet no more than the bare minimum requirements for contracting-out will be able to go ahead after July regardless of any new pay limits which may then be in force.

In general, it is only those employers who already provide or intend in future to provide benefits higher than the statutory minimum who will wish to consider whether or not to contract-out of the State scheme. The Government itself has said that it is firms with good schemes who may wish to contract-out and we believe that because of the financial implications there will be virtually no demand for minimum benefit schemes, nor would we wish to encourage them. We advocate strongly that if the Government wishes to achieve its expressed desire for a partnership between the State and occupational schemes, it should make some relaxation in this restriction on new schemes and improvements instituted after July.

BALANCE SHEETS. Following the general rise in security prices since the end of 1974, particularly the rise in the prices of UK ordinary shares, the value of the Society's investments (including new money invested during the year) appreciated by £161m during the year. The Directors decided therefore to transfer back to the life and annuity funds part of the £150m which was transferred to the investment reserves at the end of 1974 to meet the depreciation on our investments at that time due to the exceptionally depressed state of the stock market. While the appreciation during 1975 would have enabled the full amount of £150m to be restored to the life and annuity funds, the Directors have decided to limit the transfer to £100m because of continuing uncertainties in the outlook for the economy. After allowing for this transfer and other transfers amounting to £6m as shown in the Revenue Account, investment reserves at 31st December 1975 stood at over £55m. Since the end of the year there has been a further substantial improvement in security prices and at the date (13th February 1976) of writing this Statement the Society's investments have appreciated by a further £42m.

INVESTMENT. In the UK ordinary share market we were buyers early in the year and had invested over £10m by the end of April. Thereafter the pace of our investment in equities was reduced considerably and although we reached an eventual total of £19m (including £4m for rights issues) by the end of the year all new money was being invested in fixed interest stocks in view of the size of the yield gap.

In fixed interest markets we invested £50m—mainly in long-dated British Government Securities—of which £20m represented sums which had been held on short-term deposit in 1973 and 1974. The only other major item of new investment was £15m in property. At the end of the year our short-term deposits were reduced to £6m virtually all of which was earmarked against specific liabilities of a cash nature.

For a long-term insurance fund such as this, the wisdom and success of recent investment operations can only be judged as future events unfold, but we can now obtain a perspective of the policies we have followed in recent years.

By holding back substantial sums from the gilt-edged market in 1973 and 1974 and committing these in 1975, we have invested at much higher rates of interest than were available when we first received the money. In UK ordinary shares we were net sellers to the extent of nearly £9m in 1973 and reinvested this, together with additional sums, making a total of £20m at much lower prices in 1974. Indeed, in the last quarter of 1974 and the first of 1975, which straddled the period of deepest depression in the stock market we purchased £14m (or £21m including the investments of our subsidiary) of UK ordinary shares, half of which was invested while the FT Ordinary Index was below 210; and this during a period when, according to published statistics, all long-term insurance funds as a group were net sellers of ordinary shares to the extent of £88m.

The gross rate of interest earned during the year on the Society's funds before the transfer at the end of the year of £100m from investment reserves was 12.62%. For comparison purposes, if it is assumed that in 1974 the transfer of £150m to investment reserves had taken place at the beginning of the year instead of at the end, the gross rate of interest earned on the funds during 1974 would have been 12.01%. This satisfactory increase as between 1974 and 1975 was due in part to the very high rates of interest at which money could be invested during 1975 and in part to the investment operations I have described and to some extent to increased dividends on ordinary shares.

Before I leave the subject of investment, I should like to refer to the criticism from some quarters that the lack of investment by industry to increase productive capacity is due at least in part to the failure of the life offices and other financial institutions to provide the necessary finance. The funds of the life offices represent the savings of millions of ordinary people either directly through individual policies or indirectly on their behalf through the medium of pension schemes administered by the life offices. The life offices have always been prepared as their record shows to invest in industry but as they are in effect the trustees of the life savings of ordinary people, investments must be sound and profitable because the paramount responsibility is to the policyholders.

Capital investment by industry involves a judgment on the likely return over a long period on the money invested and confidence

that there is a reasonable prospect of this return being achieved. Many firms lack this confidence during a period when inflation has been running at well over 20% per annum and profits are restricted by the Price Code. Successive Governments must carry a large share of responsibility for creating this lack of confidence, and consequent lack of investment, because of their failure to provide the right climate for investment. There will be no lack of finance available from the financial institutions when industry itself has the confidence that a reasonable level of profit can be earned over a sustained period on the capital invested.

As substantial investors in the private sector, we have a real and continuing interest in the prosperity of that sector. It should not be overlooked too that it is the private sector which contributes far more than the public sector to the creation of the real wealth of this country. I cannot over-emphasise, therefore, the importance to our policyholders of a thriving and profitable private sector.

There is little doubt that the management of the economy over the years has placed too much emphasis on short-term considerations and the cynic can be excused from commenting that short-term means the period to the next General Election. Governments must recognise that what industry needs is confidence, particularly confidence that there will not be sudden and major shifts in policy. Industry needs to be confident that the Government recognises and will continue to recognise the need for a reasonable level of profitability as it is on this that the levels of capital investment, wages and salaries, and employment ultimately depend.

EXPENSES OF MANAGEMENT. The costs of running our business have inevitably grown in recent years. While part of the increase arises from increased commission and expenses from the larger new business transacted, by the larger part is forced upon us by the very high rate of inflation experienced during these years. The high rate of inflation has also increased the Society's contribution to our Staff Retirement Benefits Scheme to a sum of nearly £1.5m, including a special contribution of £0.5m. I must stress that in conditions where the rate of inflation exceeds the rate of return on the investments of the pension fund the inevitable consequence is a higher contribution. If the cost of the provision of pensions at a generous level for ordinary people—a benefit which they rightly prize—is not to become prohibitive for many employers, it is imperative that the investments of pension schemes should be able to earn a rate of return exceeding the rate of inflation.

BONUS RATES. As from 1st January 1976 we have increased our rate of intermediate bonus from 4.25% to 4.40% per annum compound for ordinary with profits policies and from 4.90% to 5.10% for with profits policies in our pension business fund. Also as a result of the rise in security values, terminal bonuses for the first six months of 1976 have been improved. When choosing an office for a with profits policy, it is better to have regard to the history of bonus declared over a long period in the past rather than to project into the future current rates of intermediate bonus which may have been in force only for a comparatively short period.

The review published periodically in *The Economist* of the actual results achieved for with profits policies by the various life offices shows a wide divergence between those offices occupying the top and bottom positions in the table. For example, for a whole-life policy on the life of a man aged 29 effected in 1935 and subject to an annual premium of £50, the actual results achieved on policies becoming claims in 1975 ranged from £4,096 at the bottom of the table to £8,759 for the Society at the top, with an average for all offices of only £5,827. For a policy of similar duration becoming a claim now, the proceeds under the Society's policy would be increased to £9,195. These actual results illustrate with great force the need for careful selection of the office before effecting a with profits policy. It was on 18th March 1924 that the *Daily Telegraph* commented that "the chief characteristic of the Scottish Widows' Fund for more than a century has been uniformity of excellence" and now 50 years later the Society is still renowned for the results achieved under its with profits policies.

INVESTOR POLICY. This fund was started in October 1966 and during the period to the end of last year the unit value has increased by no less than 202.3% compared with an increase of 115.4% for the FT-Actuaries All-Share Index adjusted to the same basis.

FUTURE OUTLOOK. In spite of the difficulties which face our economy, we are encouraged by the growing concern which all sections of the community are showing towards the problems to be solved, particularly to the reduction in the rate of inflation. We earnestly hope that the Government will persist with its counter-inflation policies and that it will recognise that to yield to pressure to reflate the economy too strongly will risk a return to very high rates of inflation or even hyper-inflation followed by an even worse recession and even hyper-unemployment.

Inflation is still the greatest danger to the establishment of a thriving economy. While progress is being made in bringing down the rate of inflation, there is a long way to go before the rate is reduced to a level which should be regarded as tolerable. When the rate has been well over 20% there is a temptation, which must be resisted, to think of 10% as something tolerable. It may be too much to hope that inflation can be eliminated entirely but certainly the aim of the Government should be to reduce it to a minimal level.

A full investigation of the Society's position was made at the end of the year and once again this demonstrated great financial strength. It is this which enables the Society to face the future with confidence notwithstanding the formidable problems still facing the economy. The Society's liability to meet future claims and expenses is most carefully assessed. We have a well balanced investment portfolio which is under constant review both by the Directors and by the Executive. Above all we are fortunate in having at Head Office and the Branches a staff well equipped to administer and promote the Society's affairs and who are united in their determination to maintain the Society's reputation in the future at the same high level as in the past.



SCOTTISH WIDOWS
A better life assurance.



PHOENIX ASSURANCE COMPANY LIMITED

PRELIMINARY PROFIT STATEMENT

Following are the preliminary results of the Phoenix group of companies for the year ended 31st December 1975, subject to audit, together with the audited results for the year 1974, which ended The Century Insurance Company Limited and its subsidiaries (acquired on 31st December 1974). Combined figures of the Phoenix and Century groups for 1974 are shown for purpose of comparison.

	1975	1974	1974 Combined
	£'000	£'000	£'000
PREMIUM INCOME			
General	245,487	174,497	209,932
Long-term	42,825	37,055	37,055
	288,312	211,552	246,987
DEBIT AND LOSS ACCOUNT			
Investment income	24,342	18,413	18,940
General results:			
General	-7,378	-5,772	10,448
Long-term	1,703	1,452	1,552
	18,667	11,093	10,043
Expenses not charged to other accounts	468	415	520
DEBIT BEFORE TAXATION			
Taxation	18,202	10,678	9,523
Minority interests	5,058	3,712	3,903
	2,018	1,129	1,129
PROFIT			
	11,128	5,837	4,481
Dividends	4,940	3,638	
Profit retained	6,188	2,199	
Dividends per share calculated on a weighted average basis	20.80p	13.70p	

geographical distribution of the general business is as follows:

	1975	1974 Combined
	Premiums written £'000	Premiums written £'000
United Kingdom and Republic of Ireland	101,262	78,706
Rest of Europe	39,088	37,725
Rest of World	3,896	37,062
USA	17,748	14,658
Overseas	37,068	41,778
	245,487	209,932
	-7,378	-10,448

Includes total of approximately £15 million due to change in basis of accounting for reinsurance losses.

REWRITING—United Kingdom and Ireland the property account was profitable but the various liability accounts continued to show losses.

Canada the earlier improvement in the Phoenix account was maintained. In Australia the improvement significantly in the second half of the year. Europe continues to be generally stable.

Marine account (world-wide) has produced a loss of £1.5 million but aviation made a profit of £300,000.

United States results show an increased loss by comparison with the previous year. This follows the experience of most companies. The operating ratios for the USA on the statutory rate.

	1975	1974
Ratio as % of earned premiums	77.8	75.3
Ratio as % of written premiums	28.8	30.1
Operating ratio	106.6	105.4

Seas currency transactions have been converted in the main at rates of exchange ruling at December 1975. Business written through subsidiaries in the United States has been ded at the rate of £2.02 (1974 - £2.34) to the pound.

DIVIDEND. Directors recommend a final dividend of 4.687p per share to be paid to members on the day of the close of business on 28th May 1976. If the tax credit available to eligible shareholders of 2.529p per share is added, this is equivalent to 7.226p per share (12.980p per share full year compared with 12.489p per share for 1974). This represents the maximum dividend increase permitted for the full year after taking account of changes in the issued capital and rates of taxation. The date of payment will be 1st July 1976 and the cost £5,000.

ANNUAL GENERAL MEETING. Annual general meeting will be held on Thursday 27th May at 12 noon. The annual report 1975 will be issued on 4th May.

Guardian Royal Exchange Assurance

RESULTS FOR 1975

Dividend

The Directors recommend the payment of a final dividend of 4.77398p per share, making a total distribution for the year 1975 of 8.27398p per share on the Ordinary capital as increased by the Rights Issue in April 1975.

The increased dividend, which is the maximum permitted under current regulations, compares with 7.75324p per share for 1974 on the smaller capital. (Gross equivalent: 1975 - 12.7292p, 1974 - 11.77651p). If approved at the Annual General Meeting to be held on the 2nd June, 1976, the final dividend will be paid on the 3rd June to holders of Ordinary shares whose names appear on the register at 3rd May, 1976.

Preliminary Profit Statement

The audited accounts for the year ended 31st December, 1975 will be posted to shareholders on the 7th May, 1976.

Subject to audit the results for the year are as follows:

	Comparative Results	
	1975	1974
	£ millions	
Premiums written - Fire, Accident and Marine	427.1	368.5
Investment Income	49.2	38.0
Less Interest Payable	6.7	8.7
	42.5	31.3
Transfers to Profit and Loss Account		
Fire, Accident and Marine	2.1	(7.5)
Life	5.0	4.3
	7.1	(3.2)
Profit before taxation	49.6	28.1
Less Taxation	24.7	14.2
Profit for year after taxation	24.9	13.9
Less: Preference and Minority Interests	.8	.8
Profit for year		
after taxation, available to Ordinary shareholders	24.1	13.1
Ordinary Dividends		
Interim 3.5p per share (1974 3.3p)	4.4	3.3
Proposed final 4.77398p per share (2nd interim 4.45324p)	6.0	4.5
Total 8.27398p per share (Total 7.75324p)	10.4	7.8
Profit transferred to Retained Profits	13.8	15.5
Earnings per Ordinary share (after taxation)	20.3p	12.7p*

*Adjusted for Rights Issue in 1976

The 1974 figures have been adjusted to reflect changes in the presentation of overseas group life profits (1975 £0.7m; 1974 £0.6m) and the inclusion of the profit of our property and estate development companies in investment income (1975 £0.8m; 1974 nil). The figure for 1974 profits after taxation is unaffected.

The results of our underwriting and investment operations in a year that produced many difficulties for composite insurance companies are a very satisfactory improvement on those of 1974. Our principal underwriting accounts in the U.K. have been profitable and Australia has made a very good recovery. Canada is improving but our German underwriting operations remain unprofitable although fully covered by their rising investment income. In the rest of the world we had good results in France, Belgium, Brazil, Kenya, Ghana, Hong Kong, Indonesia, Nigeria and Pakistan, off-set by the underwriting results in markets such as South Africa, New Zealand, Holland and the run-off in certain other territories. Our life business continues to develop well.

The Rights Issue in April 1975 has contributed to the increase in investment income which showed a steady improvement.



Guardian Royal Exchange Assurance Limited
Royal Exchange, London EC3V 3LS



Cheltenham & Gloucester

-growing from strength to strength

The Annual General Meeting of the Cheltenham and Gloucester Building Society was held at the Society's Chief Office on Wednesday, 7th April, 1976.

In his report on the 1975 results the President, Mr. Bernard P. Ward J.P., drew attention to the following:

	1974	1975
	£million	£million
TOTAL ASSETS	287.34	350.08
RESERVES	10.29	12.43
LIQUID FUNDS	55.39	66.58
INVESTMENT RECEIPTS	109.00	161.31
MORTGAGE ADVANCES	46.92	81.37

"... Improved lending has been made possible by a record inflow of funds (an increase of nearly 50%)... more than 10,500 families were assisted with house-purchase."

Through the introduction of modern office equipment and streamlined administration, Chief Office staff is actually fewer in number now than in 1968 when total assets reached £100 million.

CHELTEHAM AND GLOUCESTER BUILDING SOCIETY

Chief Office: Cheltenham House, Clarence Street, Cheltenham. Telephone: 0242 36161.

MINING NEWS

Tin production in March

BY KENNETH MARSTON, MINING EDITOR

TIN CONCENTRATE output figures for March, issued by the London Metal Exchange, show a decline against the background of the cumulative totals. In addition, an eye has to be kept to the Penang tin price, the recent recovery in which is partly a result of the export restrictions imposed by the International Tin Agreement.

These mines receive the Penang price not that quoted on the London Metal Exchange—for their production. Tin in Penang has recovered from \$1835 per picul in October of last year to the current level of \$2100. At the same time, it must be appreciated that the average Penang price for the past nine months to March 31 works out at \$1871 compared with \$2118 for the same period of 1974-75.

In November, Southern Malayan forecast lower profits for its year to June 30 next, but this anticipation may now have been softened by the recent strength of tin prices and the fact that production for the past nine months has risen to 1,938 tonnes from 1,725 tonnes in the same period of 1974-75. Also in the London Tin group, Malayan Tin has produced 1,763 tonnes in the past nine months against 2,461 tonnes and Bhermal has turned out 3,470 tonnes in the past 11 months against 3,964 tonnes. Hit by the strike at its Thailand operations, Southern Kinta's 12-month total comes out at 1,933 tonnes against 2,374 tonnes.

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BIDS AND DEALS

REXMORE PLANS NEW OFFSHOOT REORGANISATION

Rexmore has entered into a conditional agreement regarding the disposal of its wholly owned subsidiary companies, Newage Kitchens and Newage Furniture Manufacturing Company subject to the approval of Rexmore shareholders.

A new company has been formed—Newage Kitchens (Holdings)—and under the conditional agreement is to acquire from Rexmore all the capital of the Newage companies for a consideration to be satisfied by the issue to Rexmore of 68,000 Ordinary 21 shares at 23.75p per share plus £188,750 in cash. At the time of completion of the conditional agreement, Industrial and Commercial Finance Corporation will have subscribed for 75,000 NKC 12 p cent. participating convertible redeemable Preference shares at par and £125,000 of secured loan.

Mr. Elliot and Mr. Barnor Rosenblatt who are existing directors of the Newage companies will have subscribed for 37,000 NKC Ordinary at 23.75p per share. Rexmore will then subscribe for 75,000 NKC 12 p cent. redeemable Preference shares 1980-83 at par, out of part of its loan to the Newage companies.

As a result of the reorganisation the Newage companies will be able to expand their manufacturing operation while Rexmore will retain a substantial minority interest. Not tangible assets of the Newage companies as at March 31, 1975, were £282,000 and profit before tax for the year was £158,000.

GREENBANK BUYS BALANCE OF CBP

Greenbank Industrial Holdings engineers, has acquired the balance of the capital in CBP Engineering and Construction Corporation, the U.S. distributors of the group's basalt fabrication, for a cash consideration of \$800,000 obtained through Euro-dollar and U.S. Dollar loans. This follows redemption of certain American held shares of CBP from its own funds and the shares acquired have been combined with Greenbank's existing one-third holding in CBP in a new wholly owned Greenbank U.S. subsidiary.

CBP's profit for the year ending March 31, 1975 is expected to be \$1.85m, before tax and includes one unusually large contract. Without this contract the normal profit of CBP will be expected to be around \$300,000 before tax. CBP's net assets at March 31 after tax provisions and after the redemption, are expected to be not less than \$150,000.

SHARE STAKE

Westforth Electrical and Automation—Boeroff Trust now holds 3,400,000 Ordinary shares of the company (75.06 per cent.).



Percy Lane Group

International manufacturers of aluminium window assemblies for the transport, caravan, portable building and construction industries.

- Record Group Sales
- Strong Recovery in Pre-Tax Profits
- Resumption of Dividend

"Our sound financial position and the spread and balance of our activities will enable our group to take full advantage of improving business climate." P. Lane, Chairman.

	1975	1974
Results at a glance £000		
Turnover	2,660	5969
Profit before tax	314	11
Earnings per share	3.3p	NIL
Dividend per share net	1.5p	NIL

Sales and profits in Luxembourg reached record levels. Percy Lane Limited traded at a satisfactory profit.

Overall loss in U.K. reflects adverse results of Percy Lane (Architectural) but there was a marked reduction in the rate of loss during the second six months.

The financial position of the group remains strong with substantial cash and unused borrowing facilities.

Progress during 1975 has ensured that the spread and balance of Group activities will enable it to take full advantage of the improving business climate and secure its share of available markets.

AGM: 28th May—Excelsior Hotel, Birmingham

Copies of the 1975 Report and Accounts will be available from: The Secretary, Planet Works, Lichfield Road, Tamworth, Staffs. B79 7TL.

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

THE EAST WORCESTERSHIRE WATERWORKS COMPANY

(Incorporated in England by Special Act of Parliament in 1877)

OFFER FOR SALE BY TENDER OF

£1,250,000

8 per cent. Redeemable Preference Stock, 191

(which will mature for redemption at par on 30th April, 1981.)

Minimum Price of Issue—£99 per £100 Stock

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1936 (as amended in its application to the Company) of Part II of Schedule thereto. Under that paragraph, the required rate of dividend on the Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Cor Order, 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid due year after 1972.

The dividends on this Stock will be at the rate of 8 per cent. per annum without deduction of tax. Under the imputation tax system, the associated tax credit at the rate of 35/65 distribution is equal to a rate of 4 4/13ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock and sent in a sealed envelope to Deloitte & Co., New Issues Department, P.O. Box Queen Victoria Street, London EC4P 4JX marked "Tender for East Worcester Water Co. so as to be received not later than 11 a.m. on Tuesday, 13th April, 1976. The balance purchase money is to be paid on or before Friday, 14th May, 1976.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, may be obtained from—

Seymour, Pierce & Co.,

10, Old Jewry, London, EC2R 8EA.

Midland Bank Limited,

47, High Street, Bromsgrove, Worcestershire. B61 8AW

or from the Offices of the Company at 46, New Road, Bromsgrove, Worcestershire.

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

THE CHESTER WATERWORKS COMPANY

(Incorporated in England by Special Act of Parliament in 1855)

OFFER FOR SALE BY TENDER OF

£500,000

8 per cent. Redeemable Preference Stock, 191

(which will mature for redemption at par on 30th April, 1981.)

Minimum Price of Issue—£99 per £100 Stock

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The dividends on this Stock will be at the rate of 8 per cent. per annum without deduction of tax. Under the imputation tax system, the associated tax credit at the rate of 35/65 distribution is equal to a rate of 4 4/13ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock and sent in a sealed envelope to National Westminster Bank Limited, New Issues Dept. P.O. Box No. 78, Drapers Gardens, 12 Throgmorton Avenue, London, EC2P 2BD. "Tender for Chester Waterworks Company Stock" so as to be received not later than on Tuesday, 13th April, 1976. The balance of the purchase money is to be paid on Friday, 14th May, 1976.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, may be obtained from—

Seymour, Pierce & Co.,

10, Old Jewry, London, EC2R 8EA.

National Westminster Bank Limited,

33, Eastgate Street, Chester, CH1 1XA

or from the Offices of the Company at 15, Newgate Street, Chester, CH1 1DR

Mather+Platt

Salient points from Sir William Mather's Statement

THE YEAR IN BRIEF	1975	1974
Year to 31st December		
Aggregate Turnover	166,747,216	95,068,283
Profit before interest	7,168,560	8,363,598
Interest	2,451,797	1,806,488
Group Trading Profit	4,716,763	3,557,110
Taxation	2,646,965	1,662,911
Profit after Taxation	2,069,798	2,094,197
Surplus on disposal of Land and Buildings less estimated Taxation		353,061
Cost & Settlement of Court Action		239,093
Less Taxation		
Total after Taxation	1,730,165	2,358,163
Earnings per share	8.1 p.	7.7 p.

TURNOVER AND PROFITS
These were again a record and on an increase in the 23% gross profit increased 34%. Order intake in 1975, up on 1974, a percentage higher than the average inflation as applicable to Mather & Platt's trading. Profit earned in the U.K. increased from 25% to nearly 40%. Group total; there was some reduction in Europe, but of the world was much the same. The rate of increase in borrowings declined throughout the year and by the borrowings were falling.

ORDINARY DIVIDEND
Recommended that the Final Ordinary Dividend be in the maximum permissible of 1.842 pence per share 1.75 pence per share) to be paid on 10th May 1976, with the interim dividend already paid 2.667 pence (1974 2.5 pence).

THE FUTURE
The present state of the Mather & Platt Group order book should ensure satisfactory results in 1976, even if the improvement in the economy. If there is an upturn, particularly in Britain, and it comes in time to be converted into a year. At present it looks as though the pattern of 1975 repeated in 1976 and that the improvement will continue.

Mather & Platt Limited
PARY WORKS MANCHESTER M10 6BA

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.



Ultrasmar Company Limited

(Registered in England No. 301317)

Issue of 15,322,772 7 per cent. Convertible Redeemable Preferred Shares of £1 each at par.

The Council of The Stock Exchange has admitted the above Preferred Shares to Official List. Ordinary stockholders of Ultrasmar Company Limited on the Long Register at the close of business on 5th March, 1976 and Ordinary stockholders on the Canadian Register at the close of business on 15th March, 1976 are being offered the right to subscribe for Preferred Shares in the proportion (disregarding fraction) of 9 Preferred Shares for every 20 Ordinary stock units then held.

Particulars relating to the Preferred Shares are available in the statistical service Exel Statistical Services Limited and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 28th April, 1976 from:

Morgan Grenfell & Co. Limited,
New Issue Department,
4 Throgmorton Avenue,
London EC2P 2AX

Cazenove & Co
12 Tutenhouse Yard
London EC2R 7A

8th April, 1976

Extracts from the speech of the Chairman, Mr. D. R. Woodgate, M.Com., F.I.A., in moving the adoption of the Report and Statement of Accounts for the year ended 31st December, 1975.

Wesleyan & General Assurance Society

Record new business in all departments.

Measures to contain expenses explained.

Policyholders' bonuses maintained.

New Business

Following the writing of a record amount of new life assurance business in 1974, the Society has achieved a new record in 1975 by issuing new life assurance policies for annual premiums of £1,074,000. The success achieved in the Industrial Department, where new annual premiums were nearly 17% in excess of those secured in 1974, was greater than in the Ordinary Department, where the increase was 10%.

Premium Income and Investment Income

The total premium income of the Society in 1975 was £15.0m., compared with £13.9m. in 1974, and the total investment income in 1975 was £9.7m., compared with £8.9m. in 1974.

Investments

It has been said that many of the problems of British industry have been caused by the failure of the institutions, including insurance companies, to provide an adequate amount of investment capital. I believe that there has never been a shortage of capital for industries which are either making a profit, or show some reasonable expectation of doing so. There has been a shortage of capital for the possible loss makers. Insurance companies are trustees for the savings of their policyholders. Their responsibility is to preserve and make grow the funds entrusted to them, not to lose them by investing them in unsound and unprofitable ventures.

The suggestion is that the institutions have a social responsibility to the nation in the manner in which they invest their funds. I do not disagree with this philosophy, subject to proper protection for the overriding interests of the policyholders, whose savings form the funds.

As at the 31st December 1975, on the basis of book value, the Society has 24% of its assets loaned to the Government and Municipal Authorities and Public Bodies in this country. To aid industry, the Society has 43% of its assets invested in Debentures, Preference Shares and Ordinary Shares. A further 17% has been loaned to policyholders to help them buy their homes, and 6% is represented by investments in property in the form of offices, shops, industrial premises and warehouses. Nearly 4% is represented by mortgages granted to enable commercial and industrial buildings to be erected. These investments represent 94% of the Society's assets. The remaining 6% is represented by the ownership of ground rents, loans to policyholders, cash on deposit and holdings of overseas securities. Investments outside the United Kingdom represent no more than 1% of the assets.

During the year many companies sought to raise additional capital by rights issues. The Society gave support to no less than 73 companies by taking up rights issues for a total commitment exceeding £1,000,000. The Society has also played its part in supporting the Government-inspired plan of providing finance for industry, notwithstanding the fact that the money could have been placed in more attractive investments.

The book value of the Society's invested assets at cost exceeded £110,000,000 being an increase of £2,700,000 over the 1974 figure.

Expenses

Last year, I expressed concern at the rising level of expenses incurred in conducting our business, consequent upon the severe rate of inflation from which the country was suffering. Since the rate of inflation in the year 1974 was 19%, and in 1975 had risen to 28%, it is not surprising that I have to report my continuing concern on this score. Many of our expenses are largely outside our control—for example, rates, postal and fuel charges. Although we have no control over the charges for these services, we can, and are seeking to reduce the use we make of them, but there is a limit beyond which we cannot go without seriously impairing the service to our policyholders. We are continuing our policy of seeking greater efficiency in the running of our business. Since we are labour intensive, the most productive way of securing this is in the more effective use of our work force. Considerable further progress has been made in rationalising the collections of our Industrial Branch premiums. Where it causes no deterioration in service to policyholders, and imposes no undue strain on our field staff, we have pursued the policy of creating larger districts by amalgamations of adjoining districts. Geographic considerations do, however, impose definite limitations on this operation.

Reversionary Bonuses

Despite the increase in our operating expenses, I am pleased to say that we have been able to maintain our reversionary bonuses at rates not less than those for last year. In the Ordinary Department, the rates are £3.80 per cent. of the basic sum assured or annuity for all with profit policies except Equity policies, where the rate has been increased from £5.00 per cent. to £5.30 per cent. of the basic sum assured. In the Industrial Department the bonuses are at the rates of £2.50 per cent. of the basic sum assured for each claimant and £3.00 per cent. of the basic sum assured for maturity claims.

Terminal Bonuses

In the Ordinary Department, for policies issued before the 30th March 1967, a terminal bonus of 10% of the reversionary bonus attaching to policies, plus 1% of such reversionary bonus for each year or part thereof the policies were in force prior to the 1st January 1976 will be added to those policies which become claims by death or survival before the 2nd March 1977, with a maximum of 40%. This is an improvement on last year's terminal bonus which was a flat 20%.

In the Industrial Department, a terminal bonus of 20% of the reversionary bonus attaching to policies which have been ten years in force will be added to those policies which become claims by death or survival before the 8th April 1977, except in the case of recurring endowments, where the terminal bonus will be at the rate of £7.50 per £100 of endowment. These bonuses are the same as last year.

General Insurance Departments

Last year I referred to the substantial rise in the level of claims under Household & Motor policies as a result of inflation. This inflationary pressure continues, with the result that the trading profit in the Property account fell from £131,000 in 1974 to £81,000 in 1975. After taking account of investment income and tax, the profit for 1975 was £175,000 compared with £190,000 in 1974.

In the Motor Account, I am pleased to report that a trading profit has been made for the first time for five years. The trading profit is £25,000, and, after taking account of investment income and tax, the profit for 1975 was £38,500, an increase of £27,000 over the 1974 figure.

Appointment of a new Chairman

Now I have to announce that the time has come for me to step down from the Chairmanship and that the Board, I have had an exceptionally long tenure of thirty years as Chief Executive, followed by six years as Chairman of the Board. I am grateful that my health has stood up to the strain. My resignation will take effect from the end of this month.

I should like to take this opportunity to offer my warmest thanks to all those members of the indoor and outdoor staffs who have worked with me since my appointment as a Chief Executive in 1939. These staffs have been a source of strength and support. I have retired, were my colleagues and friends, who, by their conscientious and loyal hard work, helped the late Mr. Joseph and myself to build up the strength of the Society year by year out of profits which were regularly increasing. The strength of the Society was demonstrated at the time of the financial crisis at the end of 1974.

Now, it is with great pleasure that I announce the name of my successor. He is the present Vice-Chairman, Mr. J. D. W. Field, who will take over the Chairmanship on the 1st May.

Mr. Field has always had a keen interest in the Society with which he has long family connections. He was appointed to the Board in 1960 and became Vice-Chairman in 1974.

I have pleasure in moving that the Annual Report and Statement of Accounts for the year ended 31st December 1975 be received, approved and adopted.

In seconding the proposition, which was duly carried, Mr. P. A. G. Osler (Deputy Chairman) said:

In view of the Chairman's announcement of his impending retirement, I should like to say a few words about him and his exceptional service to the Society.

Mr. Woodgate joined the Wesleyan & General on New Year's Day 1931 (and in the days a Bachelor Actuary). He became Actuary in 1934, and in December 1934, became Actuary. In March 1939 he was appointed Joint Manager, at the same time remaining Actuary, and he held these appointments through the difficult period of the war and the immediate post-war years until on 1st August 1949 he became General Manager in succession to Mr. A. L. Hunt. As General Manager he bore the chief responsibility for the day-to-day guidance of the Society and its affairs for only four months short of 20 years. These were years of expansion and diversification when vision and leadership in a high order were needed to take advantage of the opportunities in the post-war years for reconstruction and change. These qualities were apparent in his advice to the Board and in his dealings with the staff and, when he retired from the post and from full time service in April 1969, it must have seemed to many of the staff, as it did to the Board of Directors, that an era had closed.

However his services to the Society were not then at an end. He had been appointed a Director in 1966, while still General

Phoenix Assurance up £7.5m. to £18.2m.

WITH INVESTMENT income up from £12.1m. to £24.5m., offsetting general underwriting losses of £2.8m. against £6.7m. Phoenix Assurance Co. increased pre-tax profits from £10.6m. to £18.2m. in 1975. At nine months the figure was £11.7m., compared with £3.7m.

Full year earnings are shown to be up from 13.7p to 20.8p per 25p share, and the dividend total is lifted from 8.288p to the maximum permitted 8.424p net with a final payment of 4.697p.

IN HIS ANNUAL statement the chairman of Dublin-based Cement Roadstone Holdings, Mr. Michael Dargan, says that in the year ahead "our aim will be to maintain some profit growth."

He sees no reliable signs yet of general recovery, and while experience in the short period to date is satisfactory, "we can only watch hopefully to confirm that we in Cement Roadstone have 'bottomed out'." The company has shown its resilience and can still view the medium-term and long-term future "with some confidence," he adds.

As announced on March 10, group pre-tax profit for 1975 was £8.6m., against £3.2m. Profit after tax increased 57.5 per cent. to £5.4m. The dividend is 3.57p (3.06p) net.

Referring to the one-for-four rights issue to raise £8.15m., Mr. Dargan states that financing arrangements already made, together with the large cash flow, are adequate to cover foreseeable requirements.

Nevertheless, taking into account the desirability of preserving limits on borrowings while being able to meet any unexpected increase in demand for acquisition opportunity, the Board considers it wise to broaden the equity base.

The Board is closely examining a number of projects at home and overseas as it feels that sustained growth should continue to be sought.

The extension of the Platin cement plant remains on target and the mid-1975 estimated inflated cost of £40m. still stands.

The U.K. subsidiary, Forticrete, succeeded in increasing its profits despite a further decline in construction activity during 1975. The new Bessermatic block plant at

Growth aims at Cement Roadstone

Optimism at Mather & Platt

THE PRESENT state of the Mather and Platt group order book should ensure satisfactory results in 1976, even if there is no improvement in the economy, states the chairman, Sir William Mackenzie.

If there is an upturn, particularly in Britain, and it comes in time to be converted into sales during 1976, then it could be "a very good year." At present it looks as though the pattern of 1975 will be repeated in 1976 and that the improvement will continue, he adds.

Overheads in 1975 should show savings of well over £1m., and, taken together with other savings, should make prices more competitive and improve margins.

As reported on March 19, turnover expanded from £88.07m. to £105.75m. in 1975, and pre-tax profits rose from £2.50m. to £4.71m. The dividend is 2.667p (2.32p) net.

Group turnover is financed by share capital and reserves of £35m. and various term loans and overdrafts of £20.7m. giving a gearing of total borrowings to shareholders' funds of 71 per cent. Sir William says that while this is high by U.K. standards, it is not so high as in most other developed countries and the group has a reasonable margin of borrowing capability. The 1975 increase in turnover required an additional £1.5m. of finance. But borrowing was reduced by the year end—despite a 19 per cent increase in order intake.

The reinvestment of oil revenues in the Middle East has provided increasing and profitable export opportunities from which the group is benefiting and for the service of which it has increased its own permanent presence. In addition to a comprehensive network of agents there are now representatives in Iran, Saudi Arabia, and the Persian Gulf.

The accounts show payments to past directors of £22,000. Meeting Manchester on April 29 at 3 p.m.

Statement Page 26

Scottish Widows reinvesting

THE SCOTTISH Widows' Fund and Life Assurance Society was buyers of equities at the end of 1974 and the beginning of last year says Mr. A. L. MacKenzie, chairman. The Society had invested £10m. in the last quarter of 1974 and £11m. in the first quarter of 1975, a period when the life assurance industry made a £28m. net disinvestment of Ordinary shares. Overall some £20m. was invested in equities last year.

The Society also invested £50m. in the fixed-interest market last year, most of which was in long-dated gilts, of which £20m. represented sums which had been held on short-term deposits in 1973 and 1974. By holding back these substantial sums, the company, says Mr. MacKenzie, has invested at much higher rates of interest. The Society also invested £15m. in property last year.

New business last year was again at a record level with new sums assured 31 per cent. higher at £269m., new annuities 12 per cent. up at £121m. per annum and new annual premiums increased by 25 per cent. to £19m. The Society reported substantial increases in policies written in connection with Capital Transfer Tax provision.

Premium income during the year rose by £13m. to £27.8m. and investment income by £1m. to £24.3m. Claims and expenses were only £1m. higher at £27.4m. mainly due to lower surrender payments, so that the fund at the end of the year stood at £817m. after a transfer of £100m. from investment reserves compared with £460m. at the beginning. The yield on the fund in 1975 was 12.6 per cent. compared with 12 per cent. previously.

Statement Page 26

SPR-LONRHO

In yesterday's issue it was incorrectly stated that on February 6, SPR Investments held 25.5 per cent. of the Lomrho equity. At that date Lomrho held 25.5 per cent. of the SPR Ordinary.

WHSMITH

W.H. Smith & Son (Holdings) Limited Results 1975/76

	1975/76 £'000	1974/75 £'000
Sales	265,776	217,266
Profit before taxation	11,251	9,266
Taxation	6,440	5,094
Profit for the year	4,811	4,172
Per £1 Ordinary Share:		
Earnings	28.5p	24.7p
Dividends		
Interim paid 26 January 1976	2.81p	2.64p
Final payable 2 July 1976	6.05p	5.67p
Asset value	247.6p	227.5p

Extract from the Chairman's Statement and Directors' Report

Profit before tax is after charging an additional £715,000 (1974/75 £813,000) to fund the increased cost of pensions and crediting £130,000 (1974/75 £129,000), being items previously shown as extraordinary profit.

The year was one in which, in spite of a general business recession and inflation, we produced record profits. It was a successful year in which all aspects of the business played their part and one in which we made new plans and provided resources for further expansion right through the business.

The Retail side fought very hard and successfully for their sales, which increased by 21.0%, kept expenses well under control and produced excellent results which were better than I predicted in my Interim report. Christmas sales, despite a very slow start in November, proved above expectations during the last three weeks.

Wholesale sales increased by 24.3%. The Wholesale side is based on one of the fastest and most sophisticated distribution systems in the country and I am glad it has improved its profitability during these difficult days for newspapers and magazines. Assessing the pressures for social change and recognising and anticipating the economic consequences of such change; and the knowledge that such change comes only through agreement, is one of management's principal tasks today. We are very well aware of this.

We face the future with an extremely strong Balance Sheet and I believe that the fastest and most sophisticated expansion of the business should, and can, now take place. In spite of the difficulties this country faces and given that the Government keeps its nerve and we I think the prospects for the future are very good for staff and shareholders of W.H.

Youghal

Carpets (Holdings) Limited

"The Company has come through 1975 well..."

Brian L. J. O'Brien, Chairman, in his Annual Statement

- * 35% total dividend recommended for the year. Earnings per ordinary share up 46% to 12.1p.
- * Turnover up 40% at £39.6 million. Substantial improvement in profitability in second half of 1975.
- * Rights Issue to Ordinary Shareholders to raise £2.2 million will broaden capital base, improve liquidity and allow further expansion.
- * Company's satisfactory weathering of recession a good indication for the future.

Copies of the Report and Accounts are available from the Secretary, Youghal Carpets (Holdings) Limited, 1 South Mall, Cork, Ireland.



Coventry Economic Building Society

Member of the Building Societies Association

EXTRACTS FROM THE STATEMENT OF THE CHAIRMAN, MR. W. ERLE S. AT THE ANNUAL GENERAL MEETING IN COVENTRY ON 7TH APRIL, 1976

EXPANSION AND RESERVES:

1975 was a year of substantial progress and records were broken in all departments. The Society is now amongst the top 20 Building Societies in the United Kingdom.

Assets increased by £20 m. to a total of £153.24 m. Reserves now total £3.43 m. and represent 3.5% of total assets.

LIQUIDITY:

Cash and Investments totalled £27.26 m. and represented 17.79% of total assets. Over 70% of total liquidity is realizable at very short notice or on demand.

HEAD OFFICE: PO. BOX NO. 9, LITTLE PARK STREET, COVENTRY CV1 2JZ. TELEPHONE

Authorised for investment by Trustees, Branches and Agencies throughout the country.



NEDERLANDSCHE WIDDENSTANDSBANK N.V.

member of the Inter-Alpha Group of Banks

Head Office: 2, Eduard van Beuninstraat Amsterdam

Consolidated balance sheet, combined with Ned. Middenstands Spaarbank (N.M.S.) - Savingsbank

ASSETS	December 31 1975	December 31 1974	LIABILITIES	December 31 1975	December 31 1974
	H.F.L.	H.F.L.		H.F.L.	H.F.L.
Cash, etc.	4,562,948,000	2,893,637,000	Capital and reserves	438,454,000	356,986,000
Treasury bills, etc.	2,233,844,000	1,748,720,000	Subordinated loans	188,493,000	127,368,000
Investments	802,908,000	772,146,000	Liability capital NMB	604,947,000	484,351,000
Loans and discounts, etc.	9,587,163,000	7,700,202,000	Capital and reserve NMS	24,903,000	21,273,000
Real property	433,238,000	415,975,000	Debtors loans and notes	170,000,000	120,000,000
			Borrowings	196,144,000	205,188,000
			Deposits, savings, etc.	16,813,905,000	12,689,858,000
				-17,609,889,000	-13,530,680,000
	17,609,889,000	13,530,680,000			

439 BRANCHES IN THE NETHERLANDS

6041000000

BY ARTHUR SMITH

knobs.

This announcement appears as a matter of record only.

\$50,000,000 Industrial Credit Bank Tehran (Bank Etebarat Sanati) 6 Year Floating Rate Loan

This financing was managed by

Kuhn, Loeb & Co.

Brandts Limited

Banque Louis-Dreyfus

Crocker National Bank

and co-managed by

Continental Bank
Continental Illinois National Bank
and Trust Company of ChicagoLloyds Bank International
LimitedStandard Chartered Bank
Limited

and provided by

Grindlays Bank Limited

Banque Louis-Dreyfus

Crocker National Bank
(Correspondent Bank)Continental Bank
Continental Illinois National Bank
and Trust Company of ChicagoLloyds Bank International
LimitedStandard Chartered Bank
Limited

Brandts Limited

The Commercial Bank of Australia Limited

Bank für Gemeinwirtschaft

Dai-ichi Kangyo Bank Nederland N.V.

International Bank for Economic Co-operation

Kyowa Finance (Hong Kong) Limited

The Royal Bank of Canada International Limited

Sumitomo Bank of California

Tokai Bank Nederland N.V.

United Virginia Bank

Wozchod Commercial Bank Ltd.

American Fletcher (Suisse) S.A.

Société Centrale de Banque

Yamaichi International (Nederland) N.V.

Agent Bank

Brandts Limited

April 8, 1976

More pressure for probe into Burmah share sale

THE TERMS of the sale of Burmah Oil's 77.5m. shares in BP to the Bank of England for £17m. in January, 1975, "is one of several important matters which are the subject of discussions with the Bank of England," a Burmah statement said yesterday.

The Burmah statement came shortly after the Burmah Shareholders' Action Group published after consideration of the BP share sale documents published earlier this week that it had been advised by its leading and junior counsel that "the purported sale in January, 1975, warrants judicial inquiry."

The Action Group is pressing for a revision of the terms under which the Bank acquired the BP shareholding at 25p. per share for £17m., a price more than £300m. below the present value of this holding.

The Action Group says it will shortly be writing formally to the chairman and other directors of Burmah requesting that they "take the necessary steps urgently to protect the interests of the company in this matter."

The group's honorary treasurer, Mr. Jonathan Stone, added that the group would be writing to the Burmah chairman in the next few days calling on him to issue proceedings against the Bank of England.

The Burmah Board has already indicated that it has continued to press the Government on the terms of the sale.

Mr. Stone said the group was received in December, 1975, and has been considered by the Burmah Board which is "proceeding in a manner which counsel advise is appropriate in all the circumstances to maintain the company's interests," yesterday's statement by Burmah says that it is not

making the advice public as "it is essential to avoid any public disclosure so that there can be no prejudice to the company's negotiating position."

Molins profits advance

PROFITS BEFORE tax of Molins, international precision engineers, rose from \$4.1m. to \$5.1m. in 1975. Stated earnings per share were 1.46p compared with 1.34p previously.

Trading profit was \$9.31m. compared with \$7.59m. the previous year. Of this total \$4.1m. was contributed by the U.K. companies, and \$5.19m. by overseas subsidiaries.

Total sales were \$82.13m. against \$74.53m. the previous year. Of the U.K. companies' share of \$32.26m. a total of 80 per cent. was exported. Overseas companies' sales totalled \$49.72m. (\$24.53m.).

The 1975 results include a full year's contribution by Langston of the U.S., which was acquired in October, 1974. Results in 1974 have been restated to reflect a change in the basis of valuation of the U.S. which was required in 1973 to conform with the relevant accounting standard.

The group's major activity is the making of machinery for cigarette making and packaging. It is a private company.

Central Wagon to improve

WITH THE beginning of an upturn in business activity, the reorganisation of the loss-making transport service equipment division and the expected completion of the Spanish tube mill, the directors of Central Wagon Co. expect an improvement in 1976 results.

As known, profits in 1975 declined from £3.0m. to £0.5m. and the 0.6p net interim stands as total for the year, against 2.05p in 1974.

Explaining, the directors say that the downturn in mild steel stockholding was more severe than anticipated, with the worst recession in the steel industry for 40 years reducing second-hand margins in that division to "minuscule proportions." Cut-price imports further depressed the market with the result that liquidation problems in many companies forced them to sell steel below costs. Because of "financial resilience," the company was not obliged to take this course of action. It was in a position to retain and increase stocks at the then low prevailing prices to be ready for the upturn in demand with sufficient stocks at competitive prices. This was the policy pursued "and to date 1976 is beginning to show its wisdom, as margins are showing a distinct improvement," they add.

Another reason was the poor performance of the two Tangey, Epsom factories in Leeds, culminating in a crippling five-week strike in November and December, resulting in heavy losses in this division.

Although Central Wagon has a substantial order book and a modern well-equipped factory, it has been unable to maintain a consistent level of profitable production. It has, therefore, entered into discussions which may lead to an offer to sell the manufacturing operations at Leeds.

Newman Industries exports up

Overseas sales of Newman Industries, the Bristol-based electronic and engineering group, were 48.3 per cent. higher last year than in 1974. Mr. A. F. Bartlett, the chairman, reports.

The value of exports during the past three financial years, to December 31 in each case rose from \$3.82m. in 1973 to \$6.95m. in 1974 and to \$10.31m. last year.

Apart from stepping up the value of overseas earnings, the ratio of export to home sales also increased. In 1975, overseas sales represented less than 24 per cent. of group turnover. In the two following years the group increased that proportion by more than 50 per cent.

ROBERT McBRIDE (Middleton) LIMITED

(Manufacturers of domestic bleaches and detergents)

Extract from the consolidated accounts and statement of the Chairman, Mr. R. McBride.

Year Ended 31st December	1975	1974
Turnover	5,905,077	4,210,789
Profit before taxation	1,057,195	409,633
Extraordinary Items	34,200	—
	1,022,995	409,633
Taxation	468,036	431,304
Dividends	74,800	70,207
Retained Profits	1,328,772	868,623
Net Assets	1,635,651	1,164,987
Earnings Per Share	27.8p	18.9p

It gives me great pleasure to announce that for the first time the company has achieved a profit in excess of one million pounds, particularly as this is reflected in a corresponding improvement in our liquid position which encourages us to move forward into 1976 with great confidence.

An interim dividend of 29.9075% (less tax credit) was paid on the 7th November, 1975. The Directors are now recommending payment of a final dividend of 31.4725% (less tax credit) which is the maximum permissible under the Government's counter inflation policy. This will make a total for the year of 61.38% as compared with 58.80% last year.



The Republic of Gabon U.S. \$20,000,000 medium term loan

Managed by

Amex Bank Limited

Citicorp International Bank Limited

Wells Fargo Bank International

Grindlays Bank Limited

London & Continental Bankers Limited

and provided by

American Express International
Banking Corporation

Amex Bank Limited

Arab African Bank

Caisse Centrale des Banques Populaires

Caisse Nationale de Credit Agricole

Canadian American Bank S.A.

Canadian Imperial Bank of Commerce

D G BANK

Equator Bank Limited

Deutsche Genossenschaftsbank

Grindlays Bank Limited

First National City Bank

Toronto Dominion Bank

London & Continental Bankers Limited

Wells Fargo Bank International

Agent Bank

American Express International Banking Corporation (Paris)

This announcement appears as a matter of record only

February 13, 1976

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

\$50,000,000 The Mortgage Bank and Financial Administration Agency of the Kingdom of Denmark (Kongeriget Danmarks Hypotekbank og Finansforvaltning) 9% Guaranteed Seven Year External Loan Notes of 1976, Series XXXVII

Kuhn, Loeb & Co.

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April 8, 1976

البنك الدولي

**ALLIANCE
LONDON
CE GROUP**

Delden out-performs textiles average

FRANKFURT, April 7.

accounted for only 37 per cent. of output compared with 48 per cent. the year before and about 50 per cent. in 1975. In contrast, the fabric manufacturing sector saw its share of total production climb from 1973's 48 per cent. to 53 per cent. in 1974 and 63 per cent. in 1975. In all, fabric output went up by 25 per cent. last year while yarn production fell 15 per cent.

The fact that the group remained in the black last year appears in great part due to the group's restructuring and rationalisation programme, which in 1974 produced a heating 11 per cent. increase in productivity. "We are confident we are likely to stand the concern in good stead for a period of renewed growth this year," Delden pointed out.

During the first-quarter pick-up, 1976 turnover was far was only 1.4 per cent. above the 1974 level. However, the group reckons that by autumn at the latest there will be a really powerful upward movement in sales. "In this regard," Delden is forecasting a 1976 turnover increase of 18 per cent. that is up to DMS800m.

Earnings, Delden believes, will be measurably better than last year's. "But despite this, the restructuring programme will continue."

Thomson to dominate computer regrouping

PARIS, April 7.

per cent, will regroup all the mini computer activities of the old CIL and the Télémécanique and receive a Government subsidy of Frs.40m. to Frs.50m. (about £4.5m.) for five years.

It is claimed that the new mini computer organisation, with a turnover of Frs.350m., will be the largest in its field in Europe and the third-largest in the world, with sales of £10m. a target of Frs.900m. by 1980.

The other company, which will be wholly controlled by the holding company, will take over the Toulouse and Andelys plants of the former CIL and will produce the large computers in the CIL range, such as Iris-80 and 7740 to be ordered by Honeywell-Bull, as well as Mitra-15 mini computers. The state has agreed to grant Frs.300m. in aid to this company, also over a period of five years, and to take over the 40% it has agreed to take over all the debts run up since January 1975 by the old CIL, amounting to some Frs.600m.

Hero group profits drop

GROUP PROFITS of the Hern concern, the Swiss-owned processed foods undertaking, which had dropped from Sw.Frs.14.73m. in 1973 to Sw.Frs.12.17m. in 1974, showed a further decline to Sw.Frs. 6.45m. last year. The group, whose cash flow in 1975

Substantial profit gain at Norcem

By Fay Gleason
OSLO, April 7.

NORCEM, Norwegian producers of cement and building materials, report a big profit increase in the first six months last year—to Kr.78.4m. (£7.4m.) from Kr.51.5m. in 1974. Turnover rose 5 per cent. to Kr.1.2bn. The improved result was achieved through rationalisation which helped curb cost increases and a successful effort to channel exports towards more profitable markets. The dividend is to be paid unchanged.

The managing director, Jens G. Heiberg, told Norcem had fully utilised cement production capacity last year—possibly the only West European cement producer to do so. Despite this, however, and despite the significant increase in prices, he was not satisfied with last year's results. Earnings were still not high enough to meet reinvestment needs, in the light of the high raw material, labour and requirements, and the steep rate of inflation.

Major projects which would have to be undertaken soon included the conversion of two of Norcem's three cement plants,

to channel exports towards more profitable markets. The dividend is 10 per cent (unchanged). The managing director, Jens

G. Heiberg said Norcem had fully utilised cement production capacity last year—possibly the only West European cement producer to do so. Despite this, however, the company expects a significant increase in profits, he was satisfied with last year's results. Earnings were still not high enough to meet reinvestment needs, in the light of the concern's massive investment requirements, and the steep rate of inflation.

Major projects which would have to be undertaken soon included the conversion of two of Norcem's three cement plants, at a cost of some Kr.600m., to use the new consuming production processes. In addition, special anti-pollution investments will make some Kr.100m over a five year period.

On the other hand, it had been decided to shelve for some years a project to build a new cement plant at Verdøl, where West Europe's largest limestone deposits were located.

Good export prospects and steadily home demand made it likely that this year's results would be at least as good as last year's, Heiberg said.

Julius Baer International Ltd.
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March 1976

U.S. \$50,000,000

Electricity Council

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ACCOUNTANCY APPOINTMENTS

CHIEF ACCOUNTANT

(The Burrup Matheson Group of Printing Companies)

London
(Southwark)

Salary £7,000
plus car

As a result of promotion, applications are invited for the position of Chief Accountant. An EXTREL subsidiary and leading printers to the City of London, the Burrup Group is extending its commercial base to include Europe and is introducing advanced printing technology.

The Chief Accountant is responsible to the Finance Director for the complete accounting function (48 staff) and will assist in the formulation of financial policy and will be capable of contributing to the effective management of the Group.

Candidates, male or female, must be professionally qualified and have industrial experience in a senior capacity.

Salary is negotiable around £7,000.

Please send full career details to:



The Group Personnel Manager,
The Exchange Telegraph Co. Ltd.,
Extel House, East Harding Street,
London EC4P 4HB.

EMMA

MANAGEMENT ACCOUNTANT

NORTH SEA

London W.1.

To £5,500

A major public group involved in leisure and publishing, our client has invested over one hundred and fifty million dollars in a consortium exploring for and developing North Sea oilfields. Two oilfields have already been discovered and production is expected to commence from the earliest discovery in late 1978.

As a member of a small head office management team, the Management Accountant will be mainly involved in analytical work. Responsible to the Financial Controller for the production of monthly reports, forecasts, cash flow statements, budgets and plans, the Accountant will additionally supervise the financial accounting.

Ideally Chartered Accountants with 12 months post-qualification experience, applicants' age 25-28, should telephone or write to David Hogg, A.C.A. quoting reference 1/661.

E.M.A. Management Personnel Ltd.
Hulton House, 20/23 Holborn
London E.C.1.
01-405 8362/3

Financial Control

c. £7,500

The job carries responsibility for the control of manufacturing and production costs, and of capital expenditure programmes, in a major UK Engineering Company. The company is part of an international group whose products have earned a very high reputation. This is a senior position in the company financial management reporting to the Director of Finance. The company is based in the Midlands, with manufacturing operations at several locations in Britain.

The management environment is progressive, results oriented and demanding. This appointment is regarded as an opportunity for a high calibre manager to be developed for advancement either in the UK or elsewhere in the world-wide group.

Candidates, who may be men or women, within the age range 28-33, must have:

- ☐ an outstanding record in financial management in manufacturing industry,
- ☐ experience of advanced management techniques,
- ☐ the ability to master complex problems,
- ☐ the ability to contribute effectively in a top level team,
- ☐ an accountancy qualification or degree in business administration.

Replies, giving full details of qualifications and experience, will be forwarded to the management consultants who are advising on the appointment. Complete confidentiality will be observed.

JWT Recruitment Ltd., (FC/FT),
40 Berkeley Square, London W1X 6AD.

Financial Controller

Hertfordshire

Control Data, one of the world's largest computer manufacturers with a proven and enviable success record, intends to set up a new joint venture company with International Computers Limited. This new U.K. company, 75% owned by Control Data, will have its headquarters in an attractive part of Hertfordshire, and will manufacture, procure and market an extensive range of computer supplies including magnetic media, ribbons, business forms, data processing cards and furniture. This new company will employ some 400 people, with an annual turnover in excess of £10m., and will represent a significant force in the U.K. market place. A Financial Controller is urgently required to play a leading role in the setting up and subsequent development of the company. Reporting direct to the Chief Executive the appointed person will be an important senior member of the management team and have overall responsibility for the company's financial

and accounting operations, management information systems, and budgets. Candidates, professionally qualified, must have five or more years' broadly based experience, two of which should have been at management level covering both manufacturing and marketing operations. Exposure to computerised accounting and management information systems is highly desirable. The salary offered will reflect the scope, responsibilities and challenge of this senior appointment. A company car with excellent pension and insurance schemes form part of a highly competitive package. Applications, with comprehensive career details, should be addressed to: PD. Butterfield, UK Personnel Manager, Control Data Limited, Wells House, 77-79 Wells Street, London, W1.



Management Accountant

Retailing

to £6,000 + Car

A leading national retailing company wishes to appoint a Management Accountant, male or female, to control the day to day running of its retail finance information department, including production of period information, forecasting, cash flow and budgeting. Computer systems are used extensively and the department has nine staff including qualified and part qualified accountants. The successful candidate, ideally aged 30-40, will be a member of a recognised accountancy body and have had retail company experience since qualifying. The appointment is based in Scotland. Starting salary will be up to £6,000 p.a. and there are excellent fringe benefits and prospects.

Apply for application form, quoting reference C.424, to: ERP International, 15/17 White Friars, Chester CH1 1NZ. Tel: 0244-317886 (Answerphone after 5.00 p.m.).



Key Financial Appointment

The National Enterprise Board
Newcastle upon Tyne

£7,000-£8,000pa

This is a unique opportunity for an exceptional, qualified accountant who relishes challenge. You will be part of a small specialist team based at the NEB's office at Newcastle upon Tyne and will report to the Director for the North of England who is responsible for the Board's activities in Cleveland, Cumbria, Durham, Northumberland and Tyne & Wear. The position entails travel throughout the region.

You will assist the Director in appraising investment projects and securing efficient financial control procedures for the companies in which investments have been made.

Age is no barrier but you should be able to demonstrate significant attainment in all aspects of company appraisal and financial management.

Your experience will have been gained in investigation work for an accounting firm, in the Corporate Finance Department of a merchant bank with strong industrial bias, as a management consultant, or as a member of the finance staff of a large group or holding company.

Starting salary — £7,000pa.
Contact: Eric O'Hara Newcastle (0632) 28543
PER 1-21 Nelson Street, Newcastle upon Tyne



QUALIFIED ACCOUNTANTS

FOR

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LONDON AND OVERSEAS

WE REQUIRE qualified accountants with good degrees — preferred age 25-35 — who must have several years' hard profit oriented, commercial, industrial or professional experience including the design, and implementation of management information and control systems. French is a significant advantage.

WE OFFER: salaries up to £7,750 p.a. which with overseas allowances can exceed £10,000 p.a.; technical and management training; career development; and infinitely varied work on public and private sector assignments in the U.K. and overseas.

Please send a comprehensive career résumé, including salary history and quoting ref. S10 to:

W. L. Tait,
TOUCHE ROSS & CO.,
Management Consultants,
Executive Selection Division,
4 London Wall Buildings,
London EC2M 5UJ
Tel: 01-588 6644



financial controller

NIGERIA

An important international organization is looking for a young but experienced individual to fill the position of Controller in one of its fast growing Nigerian subsidiaries specializing in the sale and servicing of commercial vehicles. The position offers considerable scope for initiative and rapid career advancement.

The man assuming this responsible position will report directly to the General Manager of Nigerian operations in Lagos.

He will assume the following responsibilities:

- Supervision of general accounting systems.
- Cash treasury management.
- Cost accounting methods and operations.

All candidates applying for this position should have the following set of qualifications:

- Age: 20-35.
- Experience in controllership or accounting.
- B.S. in accounting or the equivalent.

Conditions and terms of service will be subject to negotiation with the future office holder.

Applicants should write concise details, qualifications and references to EUREQUIP Consultants - Recruitment Department - quoting reference 10/189117



EUREQUIP

B.P. 30 - 92420 Vincennes (France)

Group Financial Controller/Secretary

Light Engineering

Midlands

This is an important new position to follow retirement of the present Company Secretary with Burgess Products Company (Holdings) Limited, a successful British Group of five light engineering companies employing approximately 2000 people. Based at the Group Headquarters in Hinckley, Leicestershire, the person appointed will be responsible to the Board for the co-ordination and further development of all financial planning and accounting activities throughout the Group and for the publicly quoted Holding Company's secretarial function.

The successful candidate will be a qualified Accountant, preferably aged around 40-45, with substantial Group financial control experience and practical experience of public company secretarial work, both gained in the engineering industry. Starting salary will be appropriate to the importance of this position and the previous career of the successful applicant; other usual fringe benefits include generous relocation assistance.

Please write in confidence or telephone M. Lomas for a personal history form quoting reference L/854/7



P-E Consulting Group Limited Appointments Division
Wick Road, Egham, Surrey TW20 0HW. Tel: Egham 4411.

GENERAL APPOINTMENTS

KnightWegenstein Limited

President & Chief Operating Officer

A major U.S. multinational finance house is to appoint a President and Chief Operating Officer to be totally responsible for overall management, direction and control of all financial services in Continental Europe and the United Kingdom.

The successful candidate is unlikely to be less than 40 years old and will have a background in banking, merchant banking or the finance industry.

Established professional standing in European or U.K. financial circles is essential.

British or French national preferred for this London based appointment.

An exceptional compensation package, with significant fringe benefits, will be offered to match this important and challenging position which is being created to meet the long-term expansion plans for the Group's operations in Europe.



Please write to F.R. Livock, Director—Executive Recruitment Division, KnightWegenstein Limited, 36 Parkside, Knightsbridge, London SW1X 7JP. All applications will be treated with utmost confidence.

Management Consultants and Consulting Engineers.
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LONDON CHIEF ACCOUNTANT COMPANY SECRETARY

AN INTERNATIONAL HOTEL COMPANY

requires a

QUALIFIED ACCOUNTANT

aged over 30 years to fill the above position

Some hotel experience would be an advantage but not essential. This position offers an attractive and competitive salary.

Benefits include pension scheme, BUPA, insurance cover. Replies in strict confidence with curriculum vitae to Box A.5509, Financial Times, 10, Cannon Street, EC4P 4BY

10/189117

GENERAL APPOINTMENTS

(CONTINUED ON PAGE 16)



Drayton Montagu Portfolio Management Limited (D.M.P.M.) Fund Manager

Drayton Montagu Portfolio Management Limited, the investment Division of Samuel Montagu & Co. Limited, continuing to expand its investment management operation and wishes to recruit a Fund Manager. Candidates should have approximately three years' portfolio management experience and be accustomed to handling client requirements. The successful candidate will be expected to implement investment policy across a range of private client and U.K. portfolios and will be given a large degree of autonomy.

University degree and/or professional qualification would be an advantage. Salary will be commensurate with ability and experience and the usual fringe benefits will be available.

Please reply with full curriculum vitae to:

The Personnel Director
Samuel Montagu & Co. Limited
114 Old Broad Street, London EC2P 2HY

CREDIT ANALYST c. £4000

Somewhat against the general "run of play" today, one of the leading U.K. banks requires 2 young Credit Analysts to assist with the expansion of business in that area.

You should already have acquired a measure of relevant experience with an international bank and, perhaps more importantly, show the potential to take advantage of the bank's continuing development programme.

LOANS ADMINISTRATOR to £4,000

Well established Consortium Bank—medium sized—yet has been developing rapidly—needs a young banker with genuine capability in international loan administration. Probably in your mid-20s, you will respond to the challenges that the bank offers as well as to the excellent salary/benefits package.

Tel: John Chiverton, A.L.B. no 01-495 7711
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Managing Director

c. £12,000+car Surrey

For a subsidiary engaged in the D.I.Y. Supplies and Building Industry products side of a major U.K. Group. Turnover is £5m and there is a regional structure.

Reporting to the Group Managing Director, the appointee will co-ordinate two divisions employing 200 personnel and develop policies which achieve results. Other areas needing priority attention are overseas materials buying, marketing strategies and the distribution network.

Around 40, candidates need sound D.I.Y. Materials or related Senior Management experience with strong profit control skills.

Please apply in strict confidence to: Peter Barnett, quoting ref: 641.

Beckwell Management Search

A Division of Beckwell Consultancy Services Ltd., 84-86 BAKER STREET, LONDON, W1M 1DL. Telephone: 01-935 5029/9898/2913 Telex: 263526. ASSOCIATED WITH COMPANIES IN AUSTRALIA - BENELUX - CANADA - FRANCE - ITALY - MEXICO - PUERTO RICO - SCANDINAVIA - SPAIN - USA - WEST GERMANY

Divisional Director

Electronic Equipment c. £8,000+car

This is a new appointment resulting from the reorganisation of a long established, profitable public group. A Divisional Director is required to develop an existing subsidiary engaged in the sales and maintenance of electronic products used both industrially and domestically. Policy formulation and implementation will form part of the role. Broadly based, top tier management experience is required. Ideally encompassing strong administrative capabilities, with strict control over labour and costs. Knowledge of finished electronic equipment would be an advantage. Equally important are sound leadership qualities, and a demonstrable record of success in this sphere will be expected. The appointment offers exciting but secure prospects within a soundly based group and it will appeal to the career minded executive aged under 45. The fringe benefits are in line with the importance of the position. Location: Central London.

Please write in total confidence, briefly in the first instance, to P.J.G. Rolands, Managing Director (Ref: 636).

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Managing Director

Workshop Equipment

c. £15,000

Part of a substantial, diversified group, this company is among the leaders in its field: the products are acknowledged for their quality, trading profitably with sound order books, the firm is well placed for growth organically and by acquisition.

The Managing Director will devise sophisticated corporate strategies and policies to achieve optimum U.K. and overseas business targets, ensuring the implementation and review of these plans. The development and co-ordination of the company's human resources will form an important part of the role.

Only those with proven records of achievement at board level can be considered for this position. Experience should be widely based, preferably in the garage, workshop or allied spheres, and backed by a professional qualification or a degree. Age range early or middle 40s. The position is located in the Midlands. In addition to the salary stated an attractive range of benefits and incentives associated with the importance of such a position are available, including a private car.

Please write briefly and in absolute confidence to P.J.G. Rolands, Managing Director (Ref: 618).

Beckwell Management Search

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INSTITUTIONAL STOCKBROKERS

Medium sized firm intending to further expand its institutional business seeks responsible person with experience in this field and preferably with own connections. Salary and commission negotiable on favourable terms. The applicant: Box No. A.5510; Financial Times, 10, Cannon Street, EC4P 4BY.

A MAJOR INTERNATIONAL BANK

is seeking the services of a highly motivated banker to assume responsibilities for its Mid East representation. Person appointed will report directly to the bank's Head Office. Post will initially be based London with relocation to Mid East city at later date. Candidates need to have some direct operational banking experience in the Mid East and preferably speak Arabic and French. An MBA or like qualification would be distinct advantage.

Person appointed will inherit active volume of Mid East business and his prime responsibility will be to sustain and develop bank's relationships there and to advise on the implementation of new policies and strategies for bank's activities in Mid East.

Appointment offers exciting challenge and career prospect within the bank as a whole. Remuneration in accordance with candidate's experience and qualifications.

Send detailed C.V. to Box A.5508, Financial Times, 10 Cannon Street, EC4P 4BY.

Stockbroking Fixed Interest Salesman

An interesting opportunity is available for a Fixed Interest Salesman to join a well established firm of Stockbrokers. The position requires experience of a similar nature but specifically the person appointed would be expected to develop business in Debenture Loan and Preference Stocks and give assistance with Convertibles. The successful applicant will join a small team and the salary will be by negotiation.

Please send adequate particulars and the name of any London Stockbroker to whom you would not wish to be in contact, to:

J. Finnigan Personnel Services Division of



Spicer and Pegler & Co Management Consultants
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to give us enough information to determine the ability of mutual interest.

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STOCK EXCHANGE REPORT

Firm £ helps gilt-edged but equities turn irregular on Budget reactions—Share index 4.1 down at 407.7

Account Dealing Dates
Option
First Declared Last Account
Dealing Date Dealing Day
Mar. 22 Apr. 1 Apr. 2 Apr. 13
Apr. 5 Apr. 14 Apr. 15 Apr. 28
Apr. 20 Apr. 29 Apr. 30 May 11

* New time * dealings may take place from 9.30 a.m. two business days earlier.

Further consideration of Tuesday's Budget pronouncements proved favourable in the early trading yesterday and some large buying orders extended the previous evening's rise in leading equities by several pence. However, Transport Union leader Mr. Jack Jones threw cold water on the Chancellor's unique plan to relate tax relief to a 3 per cent. norm, was increased in the next round of pay negotiations by stating that the figure was too low. This injected a note of caution into the market of industrial unrest when the first of the wage negotiations begin in June. Buyers consequently withdrew and small sellers took their place. The pattern of trade was mirrored in the FT 30-share index which, at a special 9.30 a.m. calculation, confirmed the overnight gain with a further rise of 2.5; this was extended to 3 points at 11 a.m., but the index then went into reverse and was a net 2.1 down at 2 p.m. Prices deteriorated further after news following the some disturbing news from the property sector and the index closed 4.1 down on balance at 407.7 following the previous two-day advance of 1.6.

Secondary equities held up fairly well and rises led falls by 5-1 in FT-quoted Industrials, while the FT-Actuaries All-Share index gained 0.8 per cent to 108.42.

Marked Gilt response

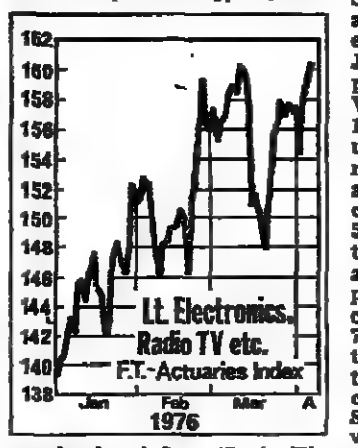
Gilt-edged were encouraged by the Budget proposals which were considered only mildly reactionary in content, and the

longer-dated maturities opened a point higher. Despite the unexpected sharpness of this move, buyers were not dismayed and their efforts brought an extension of the upward movement to 11 on high-coupon issues. The steady pound along with quickly-produced brokers' assessments of the Budget were also major considerations, but later in the day demand began to fade and quotations eased from the best. The result was that the longer closed with net rises of a point, while the shorter issues ended 1/2 higher at best; quoted in clear form, Treasury 91 per cent, 1982, the most popular stock yesterday, gained 1/2 to 95.4. Rates for investment currency slipped initially in line with the steadier trend in sterling, but they rallied later leaving the premium a 1/2 higher on the day at 104.4 per cent, after 103 per cent. Yesterday's S.E. conversion factor was 0.8329 (0.8307).

Composites good

Interest in Insurance centred mainly around Composites yesterday. Sun Alliance announced figures much in line with market expectations and the shares improved to close 10 higher at 443. Guardian Royal Exchange, 222p, and Phoenix, 224p, both produced figures at the upper end of the market estimates and gained 8 and 6 respectively. "Royals" improved 4 to 222p, after 330p, in sympathy. C. E. Heath continued to feature in brokers with a fresh gain of 7 to 342p, after 345p, for a rise so far on the week of 22. Press comment on the preliminary figures helped Bank of Scotland improve steadily to finish 11 higher at 290p. The big four Banks ventured higher, but best levels were not held. Barclays, for example, touched 285p, but closed only a net 5 better at 290p. Among Overseas issues, Standard Chartered did well, closing 8 higher at 399p, after 403p, on the

disclosure that Midland Bank had taken up its "rights" and now holds just over 12.4m. shares. Disclosures were spurred by the firm performance of gilts. Union rose 10 to 380p, as did Alexander's, 220p, Gerrard and National, 260p, and Seccombe Marshall and Campion, 260p. Smith St. Aubyn added 7 at 52p. Reflecting the return to profitability, F.C. Fin-



since hardened 3 at 45p in Mire Purchase.

Breweries and Distilleries gave back a penny or so of overnight gains on further consideration of the duty increases in the Budget. Allied, 54p, and Bass Charrington, 100p, both recorded a 2, while Distilleries gave up 3 at 145p. Teacher (Distillers) eased 7 at 208p and Arthur Bell cheapened 4 at 148p. B. P. Butner were vulnerable, falling 7 to 90p on consideration of the pending new duty of 22p a gallon on cider. Movements of note were few and far between in Buildings. Ready Mixed Concrete hardened 2 to 99p in front of today's preliminary results, while 3i Cor closed a penny better at 31p following news that Transport Development had increased its shareholding to around 28.5 per cent. London

Brick shed 1 1/2 to 52p and Gibbs and Dandy 'A' lost 1/2 to 11p. After reaching a fresh 1976 high of 411p, ICI reacted to close only 2 better on balance at 408p.

W. H. Smith please

W. H. Smith 'A' featured Stores, closing 12 higher at 370p, after 360p, on better-than-expected preliminary figures. Jewellers were also prominent, following the cut in VAT. H. Samuel 'A' improving 10 to 150p and Raters moving 8 to 63p. After Tuesday's late rise of 8, Andriolles improved afresh to 57p before reacting to close 3 cheaper on balance at 53p. Lee Cooper were raised 10 to 65p, while Allied Retailers, 154p, and Martin the Newsagent, 156p, put on 4 apiece. Heal and Son contrasted with a fall of 100 to 725p on the reduced dividend and trading loss. After a firm start, the leaders drifted back and closed on a call note. Marks and Spencer were finally 5 off at 93p, while UDS, 32p, and British Home Stores, 367p, lost 3 and 6 respectively.

After the previous evening's good showing on the Budget proposals, in particular, the halving of the 35 per cent VAT rate, Electrical issues saw little follow-through and mainly moved narrowly in close with minor changes. Thera Electrical, 270p, and BSR, 110p, both met profit-taking and lost Tuesday's respective rises of 8 and 5. However, Fidelity Radio, 71p, and Fry Holdings, 51p, recorded gains of 4 and 4 respectively although these mainly reflected the previous day's late business. United Scientific managed to improve 1/2 to 135p, while M.K. Electric, 94p, and Pico, 59p, finished similarly firmer. A reasonable business in the leaders left GBC a penny better at 160p.

after 160p, but Plessey 3 cheaper at 81p. GKN held up ahead of Monday's preliminary figures, gaining 2 to 350p, after 360p, but other Engineering leaders were finally easier. Hawker fell 6 to 425p and Tube Investments reacted 4 to 368p, after 374p. Elsewhere in the sector gains were rather plentiful, Glywed rising 5 to 110p ahead of Wednesday's annual results, and Simon Steels 4 to 137p. Davy International, 127p, Spirax-Sarco, 161p, and Wadkin, 79p, all improved 4, but Burgess Products fell that much to 24p after 23p, on the late afternoon dividend and announced a loss. Percy Lane hardened 1 to 24p following acquisition news.

Foods had little to commend itself up to 247p in front of today's preliminary statement, while biscuit manufacturers had Associated 2 harder at 88p and Fox's 5 better at 123p. RHM responded to Press comment with a penny rise to 51p. Other firm spots included Belem, 4 up at 81p, and Tawern Rutledge, 7 higher at 112p.

Hotels and Caterers were better where change of Trusts. Savoy Hotel 'A', 26p, and CCH Investments, 32p, put on 2 apiece. Rea Stakis closed a fraction better at 52p following the chairman's statement.

Baxter Fell good

Miscellaneous Industrial leaders were inclined to go higher at the start but subsequently reacted close with minor net losses. Boots were finally 3 easier at 136p, while Baxi fell 1/2 to 265p, and Bechem a penny down at 352p, after 370p, while Glaxo lost an initial gain of 3 to finish unchanged at 33p. Pilkington managed to close 5 higher at 350p, after 355p, following the chairman's statement. Baxter Fell were noteworthy for an advance of 9 to 99p, benefiting from the better second-half profits and the company's bullish remarks on future profitability, while Insaco closed 1/2 higher at 110p, on the expectation of further progress in 1976. Also on annual results, Sunlight Service improved 1 1/2 to 21p, while Development, 22p, ended flat at 22p. Robert McBride, after opening 7 higher on the previous evening's business, added 3 more at 160p on the improved profits. Favourable Press comment prompted a rise

of 3 to 30p in Waterford Glass, while Smiths Industries, awaiting today's interim results, gained 4 more to 134p. Brideson, 174p, and Hesbain, 20p, both closed 5 higher, ahead of today's annual results. Johnson Matthey moved ahead 15 to 370p.

Motors and Distributors opened firmer before turning easier on small selling and lack of support. British Leyland, a firm market of late, cheapened 2 to 33p, while prices, at 230p, gave up 1 of the previous day's rise of 6. Healey's contrasted with a gain of 2 1/2 at 80p, while rises of around 1 1/2 were recorded by BSG International, 231p, and Lex Security, 35p. DRG rose 6 to 150p in anticipation of good preliminary results next Wednesday, while Gees Gross gained 3 to 80p on the annual figures, proposed scrip issue and optimistic predictions for the current year. The chairman's confident view of prospects lifted Watnongs 1 to 37p, but TPT eased to 46p despite news of the good start to the year.

Properties retreat

Reflecting disappointment with the sale price received for Amalgamated House, a former major property of the collapsed Amalgamated Investment and Property Group, leaders, after starting a shade firmer, suffered a retreat in the late afternoon and closed at the day's lowest. Land Securities were finally 6 down at 168p and MPEP 5 cheaper at 88p, after 79p, while English Property, 20p, fell 3 down to 17p. British Land 2 softer at 311p, and Town and City Properties a penny easier at 131p. Slough Estates, however, held a gain of a penny at 85p. While where adverse rumours accompanied a fresh fall of 3 to 14p in Wingate Investments, the overdue interim statement is expected to be issued on Wednesday. Baxi and Henderson followed the recent speculative advance with a fresh rise of 10 to 86p in response to the bid approach from Welfar Insurance. Land Values improved 1 1/2 to 135p on consideration of the return to profitability. Oils began a shade harder but were unable to maintain the enthusiasm of further progress in 1976. Petroleum, in particular, slipped back after-hours to close a net 8 down at 630p, after 640p. Shell 3 down at 410p, after 413p, and Ultramar were similarly cheaper at 166p, after 171p; the latter's full report was thought satisfactory and the shares will be quoted ex rights to new 7 per cent convertible Preference issue however, prevent to-day. Burmah lost the turn to appreciation in 35p, but British-Borneo picked up their subsequent 4 to 114p. Isolated movements in the overseas issues included majority gains in Summingdale, down 20 at 545p, and Gold Mines Ind. Associated Australian Resources, 145.2 while b's cheaper at 90p. Trusts and Financials closed harder places. Chaddeley Investments edged forward a penny more to 35p, for a three-day advance of 6 1/2 since the disclosure last week-end that Compagnie Auxiliare Four Industries had lifted Watnongs 1 to 37p, but TPT eased to 46p despite news of the good start to the year.

FINANCIAL TIMES STOCK IN

	April 7	April 8	April 9	April 10	April 11
Government Sec.	62.16	61.94	61.90	61.73	62.10
Fixed Interest	62.03	61.66	61.71	61.63	61.92
Industrial Ordinary	407.7	411.9	409.7	396.5	398.8
Gold Mines	146.2	148.0	147.1	142.4	150.4
Ord. Div. Yield %	6.08	6.04	6.12	6.22	5.19
Earnings '76 (p) (d)	15.14	15.05	15.10	15.07	15.58
P/E Ratio (incl. 4) (d)	9.89	9.75	9.58	9.36	9.44
Dividends marked	5,081	2,171	6,267	7,804	7,237
Equity turnover £m	—	49.70	57.24	70.57	66.79
Equity turnover total	—	16,636	18,236	21,576	22,201

10 a.m. 413.3 11 a.m. 414.8 Noon 417.7 1 p.m. 418.2 2 p.m. 419.7 3 p.m. 418.1
Last index 10.28 10.28

(a) Based on 32 per cent. corporation tax. (b) 50 Basis 100 Govt. Secs. 15.18.26. Ford Ind. 123. Ind. 0. Mines 15.47.35. SE Activity Jan-Dec. 1975.

HIGHS AND LOWS

	1976	1975	1974	1973	1972
Govt. Sec.	62.16	61.94	61.90	61.73	62.10
Fixed Int.	62.03	61.66	61.71	61.63	61.92
Ind. Ord.	407.7	411.9	409.7	396.5	398.8
Gold Mines	146.2	148.0	147.1	142.4	150.4

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Marked down 15 late Tuesday on the bearish interim statement, Shell Steam picked up 3 to 80p on a re-appraisal of the figures. After Tuesday's late start, Courtauld improved further to touch 167p at the outset but ran out of steam to close only a net penny better at 154p in the afternoon. Carrys shares were supported by Carrys International, with results due next Wednesday, hardened 2 to 104p.

After Tuesday's late mark-up on the nominal duty increase on cigarettes, the Tobacco leaders encountered an improved trade yesterday. Bats improved further to touch 78p before a sharp decline, but they closed a shade better at 77p, after 78p.

Golds firmer

Tuesday's modest improvement in Gold shares was continued in early trading yesterday following a mark-up in prices reflecting overnight U.S. interest. The setback in bullion,

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	Wednesday, April 7, 1976										Rights and Lows Index	
	Index No.	Day's Change	Set. Div. Yield %	Gross Div. Yield %	Set. P/B Ratio	Gross P/B Ratio	Index No.	Day's Change	Set. Div. Yield %	Gross Div. Yield %		
1 CAPITAL GOODS (178)	189.82	+1.0	14.58	5.40	10.32	10.32	10.32	10.32	10.32	10.32	10.32	10.32
2 Building Materials (30)	147.17	+1.0	11.86	6.86	12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70
3 Contracting, Construction (25)	238.04	+0.1	15.07	4.87	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30
4 Electricals (18)	128.51	+0.3	15.41	4.33	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
5 Engineering (Heavy) (13)	180.30	+1.7	12.48	5.35	9.08	9.08	9.08	9.08	9.08	9.08	9.08	9.08
6 Engineering (General) (13)	147.75	+1.0	15.18	5.81	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85
7 Machine and Other Tools (8)	89.96	+0.8	14.08	5.82	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80
8 Miscellaneous (25)	136.92	+1.4	14.60	6.15	10.53	10.53	10.53	10.53	10.53	10.53	10.53	10.53
9 CONSUMER GOODS (DURABLE) (63)	141.05	+1.0	14.56	4.46	10.48	10.48	10.48	10.48	10.48	10.48	10.48	10.48
10 L.E. Electronics, Radio TV (18)	160.56	+0.8	12.86	5.88	10.18	10.18	10.18	10.18	10.18	10.18	10.18	10.18
11 Household Goods (13)	127.25	+2.6	14.46	6.18	8.08	8.08	8.08	8.08	8.08	8.08	8.08	8.08
12 Motors and Distributors (26)	83.23	+1.3	14.88	6.71	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47
13 CONSUMER GOODS (NON-DURABLE) (168)	154.62	+0.4	14.50	5.76	10.99	10.99	10.99	10.99	10.99	10.99	10.99	10.99
14 Breweries (15)	157.51	-0.9	14.33	6.85	10.48	10.48	10.48	10.48	10.48	10.48	10.48	10.48
15 Wine and Spirits (7)	177.51	-1.4	10.44	6.99	14.84	14.84	14.84	14.84	14.84	14.84	14.84	14.84
16 Entertainment, Catering (14)	191.01	+0.9	12.85	5.90	12.85	12.85	12.85	12.85	12.85	12.85	12.85	12.85
17 Food Manufacturing (22)	171.45	+0.9	12.47	4.90	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18
18 Food Retailing (18)	142.23	+1.0	11.76	4.88	12.39	12.39	12.39	12.39	12.39	12.39	12.39	12.39
19 Newspapers, Publishing (16)	181.41	+0.3	12.26	6.00	12.16	12.16	12.16	12.16	12.16	12.16	12.16	12.16
20 Packaging and Paper (12)	107.43	+1.3	12.53	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85
21 Stores (34)	187.98	-0.1	11.76	5.99	13.11	13.11	13.11	13.11	13.11	13.11	13.11	13.11
22 Textiles (23)	173.04	+2.3	12.78	6.40	10.54	10.54	10.54	10.54	10.54	10.54	10.54	10.54
23 Tobacco (3)	227.55	+0.3	12.16	6.33	7.95	7.95	7.95	7.95	7.95	7.95	7.95	7.95
24 Toys and Games (6)	72.72	+1.8	12.75	6.11	7.43	7.43	7.43	7.43	7.43	7.43	7.43	7.43
25 OTHER GROUPS (96)	126.35	+1.8	11.55	4.87	12.01	12.01	12.01	12.01	12.01	12.01	12.01	12.01
26 Chemicals (26)	126.35	+1.8	11.55	4.87	12.01	12.01	12.01	12.01	12.01	12.01	12.01	12.01
27 Office Equipment (8)	96.18	+3.4	12.12	6.38	11.61	11.61	11.61	11.61	11.61	11.61	11.61	11.61
28 Shipping (12)	375.84	+0.6	19.14	6.63	8.66	8.66	8.66	8.66	8.66	8.66	8.66	8.66
29 Miscellaneous (49)	166.44	+1.0	12.77	6.29	10.10	10.10	10.10	10.10	10.10	10.10	10.10	10.10
30 INDUSTRIAL GROUP (496)	162.57	+0.8	12.84	5.42	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78
31 500 SHARE INDEX	179.10	+0.8	13.61	6.39	10.32	10.32	10.32	10.32	10.32	10.32	10.32	10.32
32 FINANCIAL GROUP (100)	136.92	+1.6	—	—	—	—	—	—	—	—	—	—
33 Banks (6)	162.65	+2.2	18.80	5.00	8.18	8.18	8.18	8.18	8.18	8.18	8.18	8.18
34 Discount Houses (10)	161.64	+4.1	—	—	—	—	—	—	—	—	—	—
35 Hire Purchase (6)	121.56	+0.9	—	—	—	—	—	—	—	—	—	—
36 Insurance (Life) (8)	125.57	+0.1	—	—	—	—	—	—	—	—	—	—
37 Insurance (Composite) (7)	115.10	+1.7	—	—	—	—	—	—	—	—	—	—
38 Insurance (Brokers) (8)	249.26	+0.8	8.99	5.74	17.23	17.23	17.23	17.23	17.23	17.23	17.23	17.23
39 Merchant Banks (17)	69.17	+1.5	—	—	—	—	—	—	—	—	—	—
40 Property (31)	166.09	+1.8	5.04	2.97	98.07	98.07	98.07	98.07	98.07	98.07	98.07	98.07
41 Miscellaneous (6)	80.51	+2.3	16.18	6.95	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68
42 Investment Trusts (50)	160.07	+1.5	3.28	4.55	22.86	22.86	22.86	22.86	22.86	22.86	22.86	22.86
43 ALL-SHARE INDEX (650)	168.42	+0.8	—	—	—	—	—	—	—	—	—	—

COMMODITY GROUPS (Not included in 500 or All-Share indices)	Wednesday, April 7, 1976										Rights and Lows Index
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CANADIANS

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING—Continued

INDUSTRIALS MIS

HOTELS AND

MARKETS-Continued

Stock	Price	Change	Stock	Price	Change
Am. Can. Co.	100.00	+0.25	Gen. Elec.	120.00	+0.50
Am. Oil Co.	85.00	+0.10	Int. Harb.	95.00	+0.20
Am. Tel. & Tel.	110.00	+0.15	Radio Corp.	105.00	+0.30
Am. Waterworks	75.00	+0.05	Rockwell Int.	80.00	+0.10
Am. Zinc & Lead	60.00	+0.05	Union Carbide	115.00	+0.25
Am. Lumber	55.00	+0.05	Am. Lumber	55.00	+0.05
Am. Paper	45.00	+0.05	Am. Paper	45.00	+0.05
Am. Glass	35.00	+0.05	Am. Glass	35.00	+0.05
Am. Rubber	25.00	+0.05	Am. Rubber	25.00	+0.05
Am. Steel	15.00	+0.05	Am. Steel	15.00	+0.05
Am. Coal	10.00	+0.05	Am. Coal	10.00	+0.05
Am. Iron	5.00	+0.05	Am. Iron	5.00	+0.05
Am. Copper	4.00	+0.05	Am. Copper	4.00	+0.05
Am. Nickel	3.00	+0.05	Am. Nickel	3.00	+0.05
Am. Zinc	2.00	+0.05	Am. Zinc	2.00	+0.05
Am. Lead	1.50	+0.05	Am. Lead	1.50	+0.05
Am. Tin	1.00	+0.05	Am. Tin	1.00	+0.05
Am. Silver	0.50	+0.05	Am. Silver	0.50	+0.05
Am. Gold	0.25	+0.05	Am. Gold	0.25	+0.05

INSURANCE

Stock	Price	Change	Stock	Price	Change
Am. Ins. Co.	100.00	+0.25	Gen. Ins. Co.	120.00	+0.50
Am. Fire Ins. Co.	85.00	+0.10	Int. Fire Ins. Co.	95.00	+0.20
Am. Life Ins. Co.	110.00	+0.15	Radio Life Ins. Co.	105.00	+0.30
Am. Marine Ins. Co.	75.00	+0.05	Rockwell Marine Ins. Co.	80.00	+0.10
Am. Surety Ins. Co.	60.00	+0.05	Union Surety Ins. Co.	115.00	+0.25
Am. Tornado Ins. Co.	55.00	+0.05	Am. Tornado Ins. Co.	55.00	+0.05
Am. Windstorm Ins. Co.	45.00	+0.05	Am. Windstorm Ins. Co.	45.00	+0.05
Am. Flood Ins. Co.	35.00	+0.05	Am. Flood Ins. Co.	35.00	+0.05
Am. Earthquake Ins. Co.	25.00	+0.05	Am. Earthquake Ins. Co.	25.00	+0.05
Am. Fire & Marine Ins. Co.	15.00	+0.05	Am. Fire & Marine Ins. Co.	15.00	+0.05
Am. Life & Fire Ins. Co.	10.00	+0.05	Am. Life & Fire Ins. Co.	10.00	+0.05
Am. Marine & Fire Ins. Co.	5.00	+0.05	Am. Marine & Fire Ins. Co.	5.00	+0.05
Am. Fire & Life Ins. Co.	4.00	+0.05	Am. Fire & Life Ins. Co.	4.00	+0.05
Am. Life & Marine Ins. Co.	3.00	+0.05	Am. Life & Marine Ins. Co.	3.00	+0.05
Am. Marine & Life Ins. Co.	2.00	+0.05	Am. Marine & Life Ins. Co.	2.00	+0.05
Am. Life & Marine Ins. Co.	1.50	+0.05	Am. Life & Marine Ins. Co.	1.50	+0.05
Am. Marine & Life Ins. Co.	1.00	+0.05	Am. Marine & Life Ins. Co.	1.00	+0.05
Am. Life & Marine Ins. Co.	0.50	+0.05	Am. Life & Marine Ins. Co.	0.50	+0.05
Am. Marine & Life Ins. Co.	0.25	+0.05	Am. Marine & Life Ins. Co.	0.25	+0.05

PROPERTY-Continued

Stock	Price	Change	Stock	Price	Change
Am. Prop. Co.	100.00	+0.25	Gen. Prop. Co.	120.00	+0.50
Am. Real Estate Co.	85.00	+0.10	Int. Real Estate Co.	95.00	+0.20
Am. Land Co.	110.00	+0.15	Radio Land Co.	105.00	+0.30
Am. Building Co.	75.00	+0.05	Rockwell Building Co.	80.00	+0.10
Am. Construction Co.	60.00	+0.05	Union Construction Co.	115.00	+0.25
Am. Development Co.	55.00	+0.05	Am. Development Co.	55.00	+0.05
Am. Improvement Co.	45.00	+0.05	Am. Improvement Co.	45.00	+0.05
Am. Maintenance Co.	35.00	+0.05	Am. Maintenance Co.	35.00	+0.05
Am. Repairs Co.	25.00	+0.05	Am. Repairs Co.	25.00	+0.05
Am. Restoration Co.	15.00	+0.05	Am. Restoration Co.	15.00	+0.05
Am. Renovation Co.	10.00	+0.05	Am. Renovation Co.	10.00	+0.05
Am. Refurbishment Co.	5.00	+0.05	Am. Refurbishment Co.	5.00	+0.05
Am. Renovation & Repairs Co.	4.00	+0.05	Am. Renovation & Repairs Co.	4.00	+0.05
Am. Repairs & Renovation Co.	3.00	+0.05	Am. Repairs & Renovation Co.	3.00	+0.05
Am. Renovation & Repairs Co.	2.00	+0.05	Am. Renovation & Repairs Co.	2.00	+0.05
Am. Repairs & Renovation Co.	1.50	+0.05	Am. Repairs & Renovation Co.	1.50	+0.05
Am. Renovation & Repairs Co.	1.00	+0.05	Am. Renovation & Repairs Co.	1.00	+0.05
Am. Repairs & Renovation Co.	0.50	+0.05	Am. Repairs & Renovation Co.	0.50	+0.05
Am. Renovation & Repairs Co.	0.25	+0.05	Am. Renovation & Repairs Co.	0.25	+0.05

TRUSTS-Continued

Stock	Price	Change	Stock	Price	Change
Am. Trust Co.	100.00	+0.25	Gen. Trust Co.	120.00	+0.50
Am. Investment Co.	85.00	+0.10	Int. Investment Co.	95.00	+0.20
Am. Fund Co.	110.00	+0.15	Radio Fund Co.	105.00	+0.30
Am. Bond Co.	75.00	+0.05	Rockwell Bond Co.	80.00	+0.10
Am. Equity Co.	60.00	+0.05	Union Equity Co.	115.00	+0.25
Am. Income Co.	55.00	+0.05	Am. Income Co.	55.00	+0.05
Am. Growth Co.	45.00	+0.05	Am. Growth Co.	45.00	+0.05
Am. Dividend Co.	35.00	+0.05	Am. Dividend Co.	35.00	+0.05
Am. Capital Co.	25.00	+0.05	Am. Capital Co.	25.00	+0.05
Am. Reserve Co.	15.00	+0.05	Am. Reserve Co.	15.00	+0.05
Am. Profit Co.	10.00	+0.05	Am. Profit Co.	10.00	+0.05
Am. Surplus Co.	5.00	+0.05	Am. Surplus Co.	5.00	+0.05
Am. Retained Co.	4.00	+0.05	Am. Retained Co.	4.00	+0.05
Am. Accumulated Co.	3.00	+0.05	Am. Accumulated Co.	3.00	+0.05
Am. Deferred Co.	2.00	+0.05	Am. Deferred Co.	2.00	+0.05
Am. Unpaid Co.	1.50	+0.05	Am. Unpaid Co.	1.50	+0.05
Am. Outstanding Co.	1.00	+0.05	Am. Outstanding Co.	1.00	+0.05
Am. Due Co.	0.50	+0.05	Am. Due Co.	0.50	+0.05
Am. Payable Co.	0.25	+0.05	Am. Payable Co.	0.25	+0.05

TRUSTS-Continued

Stock	Price	Change	Stock	Price	Change
Am. Trust Co.	100.00	+0.25	Gen. Trust Co.	120.00	+0.50
Am. Investment Co.	85.00	+0.10	Int. Investment Co.	95.00	+0.20
Am. Fund Co.	110.00	+0.15	Radio Fund Co.	105.00	+0.30
Am. Bond Co.	75.00	+0.05	Rockwell Bond Co.	80.00	+0.10
Am. Equity Co.	60.00	+0.05	Union Equity Co.	115.00	+0.25
Am. Income Co.	55.00	+0.05	Am. Income Co.	55.00	+0.05
Am. Growth Co.	45.00	+0.05	Am. Growth Co.	45.00	+0.05
Am. Dividend Co.	35.00	+0.05	Am. Dividend Co.	35.00	+0.05
Am. Capital Co.	25.00	+0.05	Am. Capital Co.	25.00	+0.05
Am. Reserve Co.	15.00	+0.05	Am. Reserve Co.	15.00	+0.05
Am. Profit Co.	10.00	+0.05	Am. Profit Co.	10.00	+0.05
Am. Surplus Co.	5.00	+0.05	Am. Surplus Co.	5.00	+0.05
Am. Retained Co.	4.00	+0.05	Am. Retained Co.	4.00	+0.05
Am. Accumulated Co.	3.00	+0.05	Am. Accumulated Co.	3.00	+0.05
Am. Deferred Co.	2.00	+0.05	Am. Deferred Co.	2.00	+0.05
Am. Unpaid Co.	1.50	+0.05	Am. Unpaid Co.	1.50	+0.05
Am. Outstanding Co.	1.00	+0.05	Am. Outstanding Co.	1.00	+0.05
Am. Due Co.	0.50	+0.05	Am. Due Co.	0.50	+0.05
Am. Payable Co.	0.25	+0.05	Am. Payable Co.	0.25	+0.05

TRUSTS-Continued

Stock	Price	Change	Stock	Price	Change
Am. Trust Co.	100.00	+0.25	Gen. Trust Co.	120.00	+0.50
Am. Investment Co.	85.00	+0.10	Int. Investment Co.	95.00	+0.20
Am. Fund Co.	110.00	+0.15	Radio Fund Co.	105.00	+0.30
Am. Bond Co.	75.00	+0.05	Rockwell Bond Co.	80.00	+0.10
Am. Equity Co.	60.00	+0.05	Union Equity Co.	115.00	+0.25
Am. Income Co.	55.00	+0.05	Am. Income Co.	55.00	+0.05
Am. Growth Co.	45.00	+0.05	Am. Growth Co.	45.00	+0.05
Am. Dividend Co.	35.00	+0.05	Am. Dividend Co.	35.00	+0.05
Am. Capital Co.	25.00	+0.05	Am. Capital Co.	25.00	+0.05
Am. Reserve Co.	15.00	+0.05	Am. Reserve Co.	15.00	+0.05
Am. Profit Co.	10.00	+0.05	Am. Profit Co.	10.00	+0.05
Am. Surplus Co.	5.00	+0.05	Am. Surplus Co.	5.00	+0.05
Am. Retained Co.	4.00	+0.05	Am. Retained Co.	4.00	+0.05
Am. Accumulated Co.	3.00	+0.05	Am. Accumulated Co.	3.00	+0.05
Am. Deferred Co.	2.00	+0.05	Am. Deferred Co.	2.00	+0.05
Am. Unpaid Co.	1.50	+0.05	Am. Unpaid Co.	1.50	+0.05
Am. Outstanding Co.	1.00	+0.05	Am. Outstanding Co.	1.00	+0.05
Am. Due Co.	0.50	+0.05	Am. Due Co.	0.50	+0.05
Am. Payable Co.	0.25	+0.05	Am. Payable Co.	0.25	+0.05

TRUSTS-Continued

Stock	Price	Change	Stock	Price	Change
Am. Trust Co.	100.00	+0.25	Gen. Trust Co.	120.00	+0.50
Am. Investment Co.	85.00	+0.10	Int. Investment Co.	95.00	+0.20
Am. Fund Co.	110.00	+0.15	Radio Fund Co.	105.00	+0.30
Am. Bond Co.	75.00	+0.05	Rockwell Bond Co.	80.00	+0.10
Am. Equity Co.	60.00	+0.05	Union Equity Co.	115.00	+0.25
Am. Income Co.	55.00	+0.05	Am. Income Co.	55.00	+0.05
Am. Growth Co.	45.00	+0.05	Am. Growth Co.	45.00	+0.05
Am. Dividend Co.	35.00	+0.05	Am. Dividend Co.	35.00	+0.05
Am. Capital Co.	25.00	+0.05	Am. Capital Co.	25.00	+0.05
Am. Reserve Co.	15.00	+0.05	Am. Reserve Co.	15.00	+0.05
Am. Profit Co.	10.00	+0.05	Am. Profit Co.	10.00	+0.05
Am. Surplus Co.	5.00	+0.05	Am. Surplus Co.	5.00	+0.05
Am. Retained Co.	4.00	+0.05	Am. Retained Co.	4.00	+0.05
Am. Accumulated Co.	3.00	+0.05	Am. Accumulated Co.	3.00	+0.05
Am. Deferred Co.	2.00	+0.05	Am. Deferred Co.	2.00	+0.05
Am. Unpaid Co.	1.50	+0.05	Am. Unpaid Co.	1.50	+0.05
Am. Outstanding Co.	1.00	+0.05	Am. Outstanding Co.	1.00	+0.05
Am. Due Co.	0.50	+0.05	Am. Due Co.	0.50	+0.05
Am. Payable Co.	0.25	+0.05	Am. Payable Co.	0.25	+0.05

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MINES-Continued

FAR WEST RAND

Stock	Price	Change	Stock	Price	Change
Am. Mine Co.	100.00	+0.25	Gen. Mine Co.	120.00	+0.50
Am. Mining Co.	85.00	+0.10	Int. Mining Co.	95.00	+0.20
Am. Quarry Co.	110.00	+0.15	Radio Quarry Co.	105.00	+0.30
Am. Lumber Co.	75.00	+0.05	Rockwell Lumber Co.	80.00	+0.10
Am. Construction Co.	60.00	+0.05	Union Construction Co.	115.00	+0.25
Am. Development Co.	55.00	+0.05	Am. Development Co.	55.00	+0.05
Am. Improvement Co.	45.00	+0.05	Am. Improvement Co.	45.00	+0.05
Am. Maintenance Co.	35.00	+0.05	Am. Maintenance Co.	35.00	+0.05
Am. Repairs Co.	25.00	+0.05	Am. Repairs Co.	25.00	+0.05
Am. Restoration Co.	15.00	+0.05	Am. Restoration Co.	15.00	+0.05
Am. Renovation Co.	10.00	+0.05	Am. Renovation Co.	10.00	+0.05
Am. Refurbishment Co.	5.00	+0.05	Am. Refurbishment Co.	5.00	+0.05
Am. Renovation & Repairs Co.	4.00	+0.05	Am. Renovation & Repairs Co.	4.00	+0.05
Am. Repairs & Renovation Co.	3.00	+0.05	Am. Repairs & Renovation Co.	3.00	+0.05
Am. Renovation & Repairs Co.	2.00	+0.05	Am. Renovation & Repairs Co.	2.00	+0.05
Am. Repairs & Renovation Co.	1.50	+0.05	Am. Repairs & Renovation Co.	1.50	+0.05
Am. Renovation & Repairs Co.	1.00	+0.05	Am. Renovation & Repairs Co.	1.00	+0.05
Am. Repairs & Renovation Co.	0.50	+0.05	Am. Repairs & Renovation Co.	0.50	+0.05
Am. Renovation & Repairs Co.	0.25	+0.05	Am. Renovation & Repairs Co.	0.25	+0.05

O.F.S.

Stock	Price	Change	Stock	Price	Change
Am. O.F.S. Co.	100.00	+0.25	Gen. O.F.S. Co.	120.00	+0.50
Am. O.F.S. Co.	85.00	+0.10	Int. O.F.S. Co.	95.00	+0.20
Am. O.F.S. Co.	110.00	+0.15	Radio O.F.S. Co.	105.00	+0.30
Am. O.F.S. Co.	75.00	+0.05	Rockwell O.F.S. Co.	80.00	+0.10
Am. O.F.S. Co.	60.00	+0.05	Union O.F.S. Co.	115.00	+0.25
Am. O.F.S. Co.	55.00	+0.05	Am. O.F.S. Co.	55.00	+0.05
Am. O.F.S. Co.	45.00	+0.05	Am. O.F.S. Co.	45.00	+0.05
Am. O.F.S. Co.	35.00	+0.05	Am. O.F.S. Co.	35.00	+0.05
Am. O.F.S. Co.	25.00	+0.05	Am. O.F.S. Co.	25.00	+0.05
Am. O.F.S. Co.	15.00	+0.05	Am. O.F.S. Co.	15.00	+0.05
Am. O.F.S. Co.	10.00	+0.05	Am. O.F.S. Co.	10.00	+0.05
Am. O.F.S. Co.	5.00	+0.05	Am. O.F.S. Co.	5.00	+0.05
Am. O.F.S. Co.	4.00	+0.05	Am. O.F.S. Co.	4.00	+0.05
Am. O.F.S. Co.	3.00	+0.05	Am. O.F.S. Co.	3.00	+0.05
Am. O.F.S. Co.	2.00	+0.05	Am. O.F.S. Co.	2.00	+0.05
Am. O.F.S. Co.	1.50	+0.05	Am. O.F.S. Co.	1.50	+0.05
Am. O.F.S. Co.	1.00	+0.05	Am. O.F.S. Co.	1.00	+0.05
Am. O.F.S. Co.	0.50	+0.05	Am. O.F.S. Co.	0.50	+0.05
Am. O.F.S. Co.	0.25	+0.05	Am. O.F.S. Co.	0.25	+0.05

FINANCE

100	775	New NW Fund	45				
100	880	Putnam Div. 50c	135	+1/4		10 1/2	1
100	880	Putnam Div. 50c	400			10 1/2	1
555	640	Putnam Selection 50c	500	+3		10 1/2	1
555	640	Selection Trust	500	+3		10 1/2	1
220	135	Samrat 10c	140			12 1/2	1
62	45	SW American 2c	52			14	1
62	45	Silver American 2c	1200			17 1/2	1
705	705	Union Pacific 10c	345	+2 1/2		18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
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910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
910	910	U.S. Invest. 1c	290			18 1/2	1
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HUA KUO-FENG IS CONFIRMED AS CHINESE PRIME MINISTER AND No 2 TO MAO

Teng stripped of all his posts

BY COLINA MacDOUGALL

MR. TENG HSIAO-PING, the man initially expected to succeed the late Mr. Chou En-lai as Prime Minister of China, was yesterday stripped of all his posts. The only disgrace he was spared was that of losing his Communist Party membership.

Mr. Hua Kuo-feng, who was appointed acting Prime Minister in February, was confirmed as Prime Minister and appointed first vice-chairman of the Communist Party. He thus becomes second only to Chairman Mao Tse-tung in the all-important party hierarchy.

According to the official New China News Agency, Chairman Mao personally proposed Mr. Hua for these posts and recommended Mr. Teng's dismissal. The appointments and dismissals were said to have been made at a meeting of the party's central committee.

It is extremely rare for the Chinese leadership to make a dismissal announcement, and it marks the extreme gravity of the situation that it should do so now.

The move follows a long

struggle of words and posters between the radical section of the party and those who, including Mr. Teng, 73, were suspected of wanting to take the "capitalist road" of fast development, using imported technology instead of depending on "self-reliance."

The struggle culminated in Monday's riots in Peking's Tien an Men Square in which cars were set on fire and scenes of chaos unprecedented since the Cultural Revolution.

The New China News Agency later disclosed that 120 people were injured in the riots. The Party's central committee reportedly discussed Monday's "counter-revolutionary incident" and concluded that the problem could only be resolved by dismissing Mr. Teng.

Mr. Hua, now in his fifties, displaced as first party vice-chairman Mr. Wang Hung-wen, a former textile worker who rose from relative obscurity in Shanghai to the post of party vice-chairman in 1973.

Mr. Hua's stance in the power struggle in Peking between Mr. Teng's adherents and his

attackers is unknown.

There was speculation when he became acting premier that his appointment was a compromise between the radicals and the pragmatists in the leadership. His elevation to first vice-chairman may indicate the same, though his personal power is obviously increasing.

Mr. Hua's past history shows him to be a man of administrative and economic experience. This, and the fact that he has displaced Mr. Wang, widely believed to be a radical, suggests that despite Mr. Teng's dismissal, the radical group have not had everything their own way.

Significantly, Vice-Premier Li Hsien-shen, who had not appeared in public since Premier Chou's funeral, was yesterday reported as meeting the new Laotian Ambassador.

Vice-Premier Li was a close colleague of Premier Chou's and as a former Minister of Finance was believed to be a supporter of Mr. Teng, having helped to form the economic policies which Premier Chou briefly outlined at the National People's Congress last year.



Hua Kuo-feng: Second only to Chairman Mao.

It is possible that the pragmatic group may in fact emerge from the recent crisis at least no worse off than it was in January.

apart from the loss of Premier Chou.

Mr. Teng who was severely criticised in the Cultural Revolution and whose re-appearance in 1973 caused surprise was extremely vulnerable to attack and clearly much disliked by Chairman Mao's wife, Chiang Ching. Although Mr. Teng has now vanished again, Mr. Li's re-appearance suggests that the pragmatic group remains strong. While Mr. Hua is still an unknown quantity, he is not an obvious proponent of extreme radical policies.

It may, however, be an oversimplification to see the recent power struggles as solely between pragmatists and radicals.

It is also possible that Mr. Hua, an able administrator, is among those who came to high office in Peking as a result of the Cultural Revolution, played an important part behind the scenes.

Peking remained tense yesterday, while Tien An Men Square was cordoned off by troops and police. Thousands of militiamen were gathering as a precautionary measure.

THE LEX COLUMN

Reactions in the market

Index fell 4.1 to 407.7

A rise in gilts and a fall in equities might seem a rather perverse reaction to the Budget which appeared kind to the corporate sector but left most of the important monetary questions unanswered. But then equities had been marked up in the previous couple of days trading—the 30-Share Index is still 11.2 points above last Friday's closing level—whereas gilts had been nervous ahead of the event. And with cash piling up in the institutions' hands at the rate of perhaps £500m a month, a few buyers were tempted in by the mooted 3 per cent. wages target and the reasonably favourable reaction of sterling.

Most of yesterday's rises of up to a point represented initial mark-ups, and it would be surprising if this were to be the start of a major rally. The long term, which the Government broker must be itching to sell, is not much more than a point above the market at current levels.

One problem for gilts is that medium-term forecasts for inflation are tending to rise, despite the Chancellor's reaffirmation of a single figure target "next winter." Aggravated by the Budget's addition of 0.75 per cent to the RPI, inflation may show a temporary acceleration in the next couple of months at an unfortunate time for the negotiations with the TUC. The fall in sterling will add upward pressure over a longer period, and next winter's year-on-year inflation rate could be above the official target—by several points, if things go badly.

Equities are now being assessed against the background of a developing recovery in industrial activity. Indeed, many economists in the City appear to think that the Treasury's forecasts understate the pace of the upturn, particularly in respect of stock levels and fixed investment, which on official projections will still be dropping through the second-half of 1976. In fact, stockbuilding could become a factor as early as the third quarter, which might be expected to show up in bank lending figures around that time. It is worth noting that the capital goods sector hit a new peak yesterday. But the sectors directly affected by the Chancellor's measures did not show any violent movements: generally speaking, consumer

durables shares did not hold on to Tuesday night's late gains, while the brewers and distillers were not especially weak. From now on day-to-day price movements are going to be heavily influenced by union kiting. But for the moment the market remains within its well-established trading range.

Composites

The start of an upturn in the world underwriting cycle was confirmed yesterday by the comments of the three composites—Guardian Royal, Sun Alliance and Phoenix—which announced results. But there

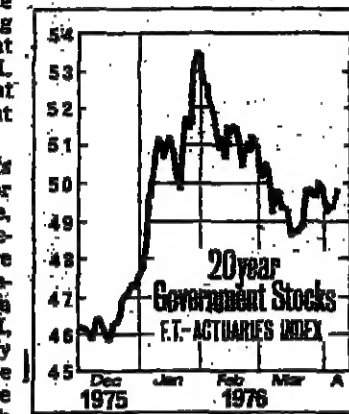
deterioration in liability. The 1 has varied with ably confident b more cautious, e slight improve interest in the C after an increas

South African however, generating after several there are still pias Continental marine accounting be poor for son the shorter-term a bad start to 19 where the early followed a year dustry did not major disasters world. The del the overall recovery has shares, though if of a sharp up second quarter right there are sector yield nea the market ave

Philips

Until the Bud not expecting an U.K. volume this beginning to sales projectio optimism fits in message to eme days' London P on the group ac Philips is still about a stigh profits for 1976 gains are appa extend to 7 per

Currency infla play as favours year: in 1975 the perhaps two-d quarter earning: tax writeback, a been whittling a levels, and h maybe 8 per c earnings is 197 the U.S. 1st Signetics) shoul 1975. Yet utilisation that international li on its feet, and half of 1976-sh of the present-s ing may well p past. Consumer s three-quarters of before interest, cent of sales Europe. The shi a 6th in Amste; and at Fis.34.2 likely to halve could conceiva double figures.



New BR chief pledges strong railway system

BY ARTHUR SMITH

MR. PETER PARKER, the 52-year-old chairman of Rockware, is to be the next chairman of British Rail.

Acceptance of the £23,330 post will involve financial sacrifice for Mr. Parker who holds a number of senior business appointments which he must sever.

He had accepted the Government's offer, he said last night, "because I regard it as an opportunity—and indeed an honour—to make a contribution to the improvement of the country's transport system in its widest sense."

He had "no illusions about the problems ahead" but he made it quite clear that no decisions had yet been taken about the role and size of the rail network.

He believed the Department of Environment consultative document on transport, expected to be published next week, would be "a genuine consultative document and that the railways will have their say—I promise you that."

Mr. Parker maintained that in

for the first time there would be a national debate about transport policy, after which there would be an act of will "to find a new balance between the various modes of travel—a real commonwealth of transport."

It was impossible to think of Britain having anything but a strong railway system, he insisted. It was wrong to take a defeatist attitude. "If you give consumers the right sort of service, it will be a success."

Mr. Parker will take over as BR chairman in September when Sir Richard Marsh, who announced recently that he would not seek reappointment.

Sir Richard, who complained about the lack of long-term objectives for BR management and about switches in Government policy, presided over a difficult period for BR in which price restraint has contributed to the need for massive public subsidies.

Mr. Parker will read himself in as a part-time member of

the BR Board before taking full office. In the meantime he will gradually phase out his business interests.

He has been chairman of Rockware since 1971, and is chairman of the Dayway Day, Clarkson's Holdings, and has a number of other industrial commitments. A former director of Booker McConnell, he left in 1970 to become chairman designate of the proposed National Food Authority, but this body fell with the defeat of the Labour Government in 1970.

A Labour Party supporter, Mr. Parker was originally offered the job as chairman of BR in 1967, in succession to Sir Stanley Raymond. But he argued that the proposed £12,500 salary would allow him the flexibility to recruit top quality management.

He said last night that the principle he had fought for had been accepted within 12 months, and was no longer an issue.

Profile, Page 8

Mrs. Castle puts up unemployment benefit by £2.90

BY ERIC SHORT

WEEKLY UNEMPLOYMENT, sickness and other short-term benefits are being increased from November 15, 1976, by £1.80 for a single person and £2.90 for a married couple. These increases bring the short-term standard weekly benefit rates to £12.90 and £20.90 respectively.

The new levels were announced in the Commons yesterday by Mrs. Barbara Castle, Secretary for Social Services, and follow the announcement of the new pension levels made by Mr. Denis Healey, Chancellor of the Exchequer, in his Budget on Tuesday.

This rise in short-term benefits represents an increase of 18 per cent. over the previous rates, compared with a 15 per cent. increase in pension and other long-term benefits. This difference, said Mrs. Castle, had been made in order to narrow the gap, in percentage terms, between the two kinds of benefits.

Widening

Previously, pensions had been revalued in line with rises in national earnings, while short-term benefits had been raised in accordance with retail price index movements. This had resulted in a steady widening of the benefit gap which Mrs. Castle said was a matter of concern to the Government in times of high unemployment. The present increase was therefore 20 per cent. higher.

When he announced the pension increase on Tuesday, Mr. Healey said that the changes were based on the anticipated rise in inflation in the 12 months to this November. In the past, the changes have been based on

MAIN SHORT TERM BENEFITS		
	Weekly Rate	New Old
Unemployment and Sickness		
Single person	12.90	11.10
Married couple	20.90	18.00
Married woman	9.20	7.80
Widows' Allowance (a)	21.40	18.60
Maternity Allowance	12.90	11.10
(a) payable for first 26 weeks of widowhood		

inflation over the immediate preceding period.

Mrs. Castle defended this decision yesterday. She pointed out that if an historic measure had been used, as in the two previous changes, it would have added £500m to the cost of the current increases of £1.8m. This would have meant higher National Insurance contributions at a time when earnings increases in real terms had been severely restricted.

The Government had struck the right balance between benefits and contributions in its social policy, she declared.

National Insurance contributions were increased on Tuesday, in line with Government announcements last October. Contribution rates were increased by one-quarter per cent to 5½ per cent for employees and 8½ per cent for employers. The earnings ceiling was also lifted to £95 from £88 per week.

Mrs. Castle said yesterday that this contribution increase would be sufficient to pay for the proposed benefit increases.

Parliament, Page 15

Amalgamated House sold for £13.75m.

BY QUENTIN GUIRDHAM

AMALGAMATED HOUSE, close to the Tower of London, and the largest U.K. asset of the failed Amalgamated Investment and Property Company, has been sold by its receiver to Willis, Faber and Dumas for £13.75m.

The insurance brokers and underwriting agents, one of the leaders in the London market and an unquoted public company, will use the £16,500 sq. ft. building as their head office.

This is the first major disposal from the £100m. Amalgamated portfolio. The sale was negotiated by Mr. Stuart Young of accountants Haeker Young, who was appointed receiver of the building by bankers Whiteaway Laidlaw, a subsidiary of Great Universal Stores.

Mr. Young said that the sale price enabled Whiteaway Laidlaw to recover its claims secured on Amalgamated House, plus interest, and leave a surplus of "more than £1m." for other creditors.

But the price does not recover Amalgamated's investment, having paid £9.3m. to the Port of London Authority for it in late 1971 and spent around £5m. on an unusually thorough refurbishment.

It is thought that the sale, even if made in February when Willis, Faber and Dumas had started negotiating, would not have saved Amalgamated from its directors' decision that liabilities exceeded assets and that, therefore, the group must go into liquidation.

The Stock Market took the view that the price cast further doubt

on Central London property values. Leading shares were down at 168p, MEPC 5p down at 68p and English Property Corporation 3p down at 47p. A particularly weak feature was Wingate Investments, whose main asset is St. Alphege House in the City.

Mr. Stephan Wingate, managing director, said there had been speculation because the interim report which would show a loss for the period, was a few weeks overdue. It would be published next week.

The Stock Market's view of the Amalgamated House sale as a sign that large blocks of the sale indicating that other potential bidders had been interested.

Mr. Young said that apart from some very low offers from two serious inquiries at £8m. and £10m.

Willis, Faber and Dumas, which holds 22 per cent of Morgan Grenfell and is itself roughly half-owned by institutions, said the building was "exceptionally suited" to its needs. It currently rents its headquarters in Leadenhall Street from Prudential Assurance.

Weatherall Green and Smith advised the buyers, and Mr. Young was advised by Jones Lang Wootton.

More jobs now for executives

By John Elliott, Management Editor

JOB opportunities for executives have increased during the past three months at a rate which indicates that the industry is now emerging from the worst levels of executive unemployment experienced at the end of last year.

This is the conclusion reached by an index of executive demand published yesterday by MSL, the management consultants, which showed that there was an 18 per cent. increase in demand for executives from January to March.

It has been estimated by MSL and the Government that some 70,000 executives were unemployed by the end of last year, the worst figure since 1971.

Now, however, with a high overseas demand for U.K. executives, MSL believes that there could be a shortage in Britain within the next 12 months.

Included in the 18 per cent. rise in demand during the past three months is a 23 per cent. increase in job opportunities for executives in sales and marketing and a 26 per cent. boost in research and development.

Commenting on these figures, Mr. Harry Reiff, MSL chairman, said last night: "If we can be guided by the previous patterns of the MSL index, the present figures indicate that the climb out from the recession will be steady rather than explosive."

Lord Allen, general secretary of the Shopworkers' union and chairman of the TUC economic committee, commented that he could not believe that the Chancellor really believed that the

Smith may name two African Ministers

BY TONY HAWKINS

SALISBURY, April 7.

MR. IAN SMITH is expected to make a major statement on future Rhodesian policy on race relations on Tuesday.

Mr. Healey said that the changes were based on the anticipated rise in inflation in the 12 months to this November. In the past, the changes have been based on

It is being forecast here that two African senators will be offered Government posts—possibly the Minister or Deputy Minister for African Education, African Agriculture or Internal Affairs.

Political observers here believe that this would necessitate changes of racial discrimination legislation and possibly including the Land Tenure Act so as to allow these Ministers to live in specified "white" areas.

Both wings of the African National Council have warned that any such moves are likely to be counter-productive, arguing that the appointment of Africans with no political support as Ministers will not affect the situation at all.

Mr. Pat Baskford, leader of the non-racial Centre Party, has warned the Government that any such policy would be "window dressing of the worst possible kind" though he and other moderate leaders welcome the suggestion of moves to eradicate racial discrimination.

These suggested moves have already been roundly condemned by the nationalist leaders who regard the tribal chiefs as mere Government officials anyway, and who say it is too late to try and assuage Black opinion by eliminating what Mr. Smith calls "unnecessary racial discrimination" (what the South Africans call petty Apartheid).

Continued from Page 1

Steel surcharge ready

An 800,000 ton-a-year plant would cost some £50m, but a larger project, with 1.2m. tons a year output and costing some £80m., is also being considered.

Private steel companies being invited to participate in a consortium to own and run the plant include Sheerness Steel, Duport, Patent Shaft, Round Oak, Danish Steel (who would ship ore pellets to Denmark), Guest Keen and

Nettlefolds, Manchester Steel and Dunford Hatfields. The British Steel Corporation is already building an 800,000 ton-a-year direct ore reduction plant at Hunterston.

Looking 12 months ahead, there are grounds for forecasting that scrap prices will stabilise because industrial production is likely to improve.

Continued from Page 1

Tough start for policy talks

and the feeling on pay. These will include the Welsh TUC which meets this week-end and the Scottish TUC congress which starts on Easter Monday. Last night, Mr. James Milne, general secretary of the Scottish TUC, predicted that the Chancellor's pay proposals would "split the union movement."

Mr. Milne, recalling that last year's Scottish congress came out against the 5p pay policy, said it was almost certain that there would be an emergency motion on pay.

Mr. Jac. Jones, general secretary of the Transport and General Workers' Union and architect of the 16 pay policy,

said in Scotland that he did not think 3 per cent. was at all acceptable and that the TUC would want to dissuade the Chancellor from that figure.

But Mr. Jones said the proposals must be looked at carefully and a way must be found for spelling them out to the working man. "We don't want to cut off our noses to spite our faces and must be concerned with productivity and providing adequate incentive for effort."

Lord Allen, general secretary of the Shopworkers' union and chairman of the TUC economic committee, commented that he could not believe that the Chancellor really believed that the

3 per cent. limit was an acceptable target for the TUC but he was not opposed to the idea of some income tax relief for "those at the bottom end of the payroll."

Mr. Roy Grantham, general secretary of the Association of Professional, Executive Clerical and Computer Staff, was among several union leaders who saw Mr. Healey's plan as merely "the opening shot in a campaign" and a negotiating tactic.

The only kind words came from Mr. Tom Jackson, of the Union of Post Office Workers, who thought the proposals might help keep Post Office charges down and therefore protect his members' jobs.

Weather

U.K. TO-DAY
MOSTLY cloudy with rain.
London, South and Cent. England, Midlands

Mostly dry with some sun; spells. Clear periods at night. Wind N.W. Max. 11C (52F). S.E. England, E. Anglia, Channel Is.

N.E. England, Borders
Dry at first with sunny spells. More cloudy later with occasional slight rain in places. Wind N.W. Max. 11C (52F). S.W. and N.W. England, Wales

Mostly dry with sunny spells but becoming more cloudy later. Wind N. Max. 12C (54F). Lakes, Is. of Man, Scotland, N. Ireland

Mostly dry with bright spells. More cloudy later with occasional rain in places. Wind N.W. Max. 11C (52F). Outlook: Dry. London. 20.14. Manchester. 20.26. Glasgow. 20.39. Belfast. 20.43.

BUSINESS CENTRES

City	Y'day	Mid-day	Y'day	Mid-day
Alexandria	24	24	Madrid	15
Amman	24	24	Manila	15
Ankara	24	24	Mexico	15
Antwerp	24	24	Moscow	15
Athens	24	24	Mumbai	15
Bahia	24	24	Nairobi	15
Batavia	24	24	Rangoon	15
Bombay	24	24	Reykjavik	15
Buenos Aires	24	24	Rio de Janeiro	15
Calcutta	24	24	Rome	15
Canton	24	24	Singapore	15
Cebu	24	24	Stockholm	15
Colon	24	24	Strasbourg	15
Hankow	24	24	Taipei	15
Hong Kong	24	24	Tokyo	15
Kobe	24	24	Toronto	15
London	24	24	Vienna	15
Lyons	24	24	Warsaw	15
Manila	24	24	Zurich	15
Medan	24	24		
Shanghai	24	24		
Singapore	24	24		
Sourabaya	24	24		
Tientsin	24	24		
Yokohama	24	24		

HOLIDAY RESORTS

City	Y'day	Mid-day	Y'day	Mid-day
Algeria	14	14	Jersey	15
Algiers	14	14	Las Palmas	15
Bahia	14	14	London	15
Batavia	14	14	Malta	15
Bombay	14	14	Nassau	15
Buenos Aires	14	14	Nice	15
Calcutta	14	14	Norfolk	15
Canton	14	14	Porto	15
Cebu	14	14	Reykjavik	15
Colon	14	14	Rio de Janeiro	15
Hankow	14	14	Rome	15
Hong Kong	14	14	Singapore	15
Kobe	14	14	Stockholm	15
London	14	14	Strasbourg	15
Lyons	14	14	Taipei	15
Manila	14	14	Tokyo	15
Medan	14	14	Toronto	15
Shanghai	14	14	Vienna	15
Singapore	14	14	Warsaw	15
Sourabaya	14	14	Zurich	15
Tientsin	14	14		
Yokohama	14	14		

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